

FINANCIAL TIMES

Wednesday April 19 1989

World News Business Summary

Indian train crash leaves 35 dead and 100 injured

An express train jumped the tracks near Jhansi, Uttar Pradesh state, central India, killing at least 35 people and injuring more than 100.

Paris to cut jobs

France's Socialist Government is planning to cut state jobs in an attempt to trim the budget deficit.

Wright defence

Jim Wright, Speaker of the US House of Representatives, opened his defence against wide-ranging ethics charges.

World Bank loans

World Bank is set to approve loans to Poland of about \$250m.

Prague perestroika

Milos Jakes, Czechoslovak Communist Party leader, promised a "perestroika" in his country to restructure the economy.

Eta leaders expelled

Six Basque separatist guerrillas, including three who took part in secret talks with the Spanish Government in Algeria, have been expelled from Algeria.

Jordan price riots

Riots over price rises erupted in the south Jordan town of Ma'an and at least 17 people were injured as some 4,000 angry people attacked shops and set cars on fire.

Coalition leader

Austria's conservative People's Party, junior partner in the Socialist-led coalition government, nominated Mr Josef Rieger, Agriculture Minister, as its new leader.

Mugabe measures

President Robert Mugabe announced measures to liberalise Zimbabwe's economy in a bid to encourage investment and reduce soaring unemployment.

Australian \$ slides

Australian dollar slid on the foreign exchanges after worse-than-expected balance of payments figures for March underlined the deterioration in the country's external economic performance.

Swap peace threat

Timetable for removing South African troops from Namibia will be abandoned unless all Swapo guerrillas in the territory withdraw, according to Foreign Minister Pik Botha.

Shamir in Budapest

Yitzhak Shamir, Israeli Prime Minister, arrived on a surprise visit to Budapest for talks with Hungarian leaders expected to focus on the Middle East and a resumption of diplomatic ties.

Violence in Patna

Eight people died and at least 30 were injured in clashes between Hindus and Muslims in Patna, northern India.

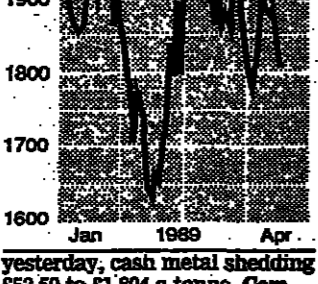
W Germany flights

US is to halve the period of low-level military training flights over West Germany.

GPA places \$16.8bn order for airliners

GPA, Irish leasing company and parent of Guinness Peat Aviation, announced the biggest order for commercial airliners ever placed, with a proposed purchase over 10 years of 300 aircraft valued at \$16.8bn.

COPPER prices continued



GATEWAY, UK's third largest food retailer, became the subject of a £1.7bn (£1bn) bid battle as an institutional-backed consortium announced a leveraged offer.

NEXDORF, troubled West German computer company, plunged into an operating loss last year, but managed to achieve a sharply diminished net profit.

DOW Chemical and EIL Lilly of the US are combining their agricultural chemicals businesses into a new company to rank about fifth in the world market for herbicides and pest control chemicals.

DEUTSCHE Babcock, West German engineering group, said incoming orders in the first quarter ended March 1989 had risen by 2.2 per cent.

CARRIFIOR, leading French supermarket group, confirmed a 20 per cent increase in net profits last year to FF811m (£142m).

NACHI-FUJIKOSHI, Japan's leading producer of cutting tools, to launch hydraulic equipment joint venture with Daesung Corporation, South Korean gas distributor/heavy equipment maker.

BUSH Administration raised objections to a Japanese company's proposed \$58m acquisition of General Ceramics, New Jersey company involved in nuclear weapons technology.

RAMADA, Arizona-based company, once one of the best known hotels in the US, is selling its chain of hotels for \$540m.

AUSTRIAN Airlines, which is about to launch a further issue of shares, plans to pay an increased dividend for 1988.

DOFASCO, Canada's largest steel company, is buying all of Quebec Cartier Mining, one of the country's two biggest iron ore producers, to assure future raw material supplies.

GIORGIO Garuzzo, chief executive of Iveco of Italy, West Europe's second largest truck maker, called for temporary protection for European commercial vehicles industry from Japanese imports.

FRANCOIS National de Paris (BNP), largest French state-owned bank, reported 8 per cent increase in group net profits to FF9.06bn (£60m) for 1988.

SCHINDLER, Swiss lifts group, which ranks as world leader behind Otis of the US, reports a strong increase in profits for 1988.

Mitterrand appeals for concerted action on Lebanon

By George Graham in Paris and Andrew Gowers in London
PRESIDENT Francois Mitterrand of France has appealed to the leaders of Britain, the US, the Soviet Union, Spain and several Arab countries to join a concerted effort to halt the fighting in Lebanon.

The Elysee Palace also said Mr Mitterrand would discuss Lebanon today at a scheduled meeting with Mr Helmut Kohl, the West German Chancellor. Mr Mitterrand's moves coincided with the first stirrings of wider international interest in trying to stop the carnage in Lebanon.

Troops repel march by Peking students on Communist Party HQ

By Our Foreign Staff
THOUSANDS of Chinese students tried to force their way into the Communist Party headquarters in Peking early this morning shouting for the Premier as they chanted "Come out, come out, Li Peng".

TOYOTA is to invest \$700m (£1.2bn) building a 200,000 cars-a-year assembly plant near Derby in the English Midlands, the biggest single Japanese investment ever made in West Europe.

with corruption" and "long live democracy," echoing the posters which have appeared on campuses across the country since the death of Hu.

The Government is now confident that the build-up of production by Toyota and Nissan, together with other expansion projects, including Honda of Japan which has a production agreement with the Rover Group, could push UK car production back towards 2m a year by the late 1990s.

US stocks and bonds rally on signs of housing market fall

By Anthony Harris in Washington and Janet Bush in New York
US STOCKS and bonds rallied strongly yesterday as evidence of weakness in the housing market and lower-than-expected consumer price inflation figures soothed fears of higher US interest rates.

The Treasury bond market jumped by a full percentage point at the long end of the market, taking the yield on the benchmark long bond down to 8.85 per cent. This is the first time it has traded below 9 per cent since early February.

US court to hear Minorco bid

By Clay Harris in London
ANGLO AMERICAN and De Beers, the South African mining groups, yesterday offered to submit themselves, for one case only, to the jurisdiction of US courts in a last-ditch effort to salvage the \$2.5bn (£930m) takeover bid by Minorco, the Luxembourg subsidiary for Consolidated Gold Fields, the UK-based mining and aggregates group.

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OVERSEAS NEWS

CURRENT ACCOUNT DEFICIT MAY EXCEED A\$15BN

Australian economy continues to deteriorate

By Chris Sherwell in Sydney

THE Australian dollar slid on the foreign exchanges yesterday after worse-than-expected balance of payments figures for March underlined the continuing deterioration in the country's external economic performance.

The news inevitably fuelled speculation of a further rise in domestic interest rates, but because this would hit politically sensitive home mortgage rates, already at record levels...

The figures were the first major statistics on the economy to be published since Mr Keating's announcement last week of A\$8.7bn in tax cuts

and welfare rises together with productivity-linked pay rises averaging 3.5 per cent.

Recruit probe set to focus on Japanese politicians

By Stefan Wagstyl in Tokyo

JAPANESE public prosecutors yesterday indicted a senior civil servant on bribery charges arising from the Recruit scandal, clearing the way for a full-scale investigation of politicians' role in the affair.

EC warned about reciprocity

By Stefan Wagstyl

A SENIOR Japanese Government official yesterday warned the European Community the application of proposed rules on reciprocal access to markets could "easily result in protectionism".

Japanese companies overseas. Japanese banks now had 254 branches, 238 subsidiaries, and 423 representative offices abroad.



Mugabe eases investment rules

PRESIDENT Robert Mugabe yesterday announced measures to liberalise Zimbabwe's economy in a bid to encourage investment and reduce soaring unemployment.

Details of the new economic measures will be announced next month by Mr Mugabe, outlined the broad terms. The Government will further relax controls on remittance of dividends.

individual agreements with governments of countries with potential European centres to supplement their London headquarters.

Price rises in Jordan spark student riots

By Our Foreign Staff

RIOTING broke out in the Jordanian town of Misan yesterday as students protested against price rises, which came into effect three days ago as part of an economic reform plan backed by the International Monetary Fund.



Happier times: Adnan Khashoggi and his wife Laila

Dealmaker trapped by his own lifestyle

ADNAN Khashoggi has never had much of a head for business. It is the one criticism his friends make of him.

"Tiny" Rowland of Lorain. Mr. Rowland's sworn enemy Mr. Mohamed Fayed, boss of Harrod's and the House of Fraser...

Christian Tyler profiles Adnan Khashoggi, who was arrested in Switzerland yesterday

From his schooldays Khashoggi showed a knack for making money and an equal knack for spending it.

emerged only in late 1984 or early 1985, when Khashoggi started selling or mortgaging assets of his Texas American company, based in Salt Lake City.

Botha warns on timetable for Namibia withdrawal

THE timetable for removing South African troops from Namibia will be abandoned unless all the South-West Africa People's Organisation guerrillas in the territory withdraw to Angola soon.

Macao to strengthen its central banking powers

By John Elliott in Macao

A NEW monetary authority is to be set up soon by Macao, the tiny Portuguese enclave on the south China coast near Hong Kong.

The Instituto Emissor de Macao, set up in 1980 as a quasi-private sector central banking organisation, will be closed.

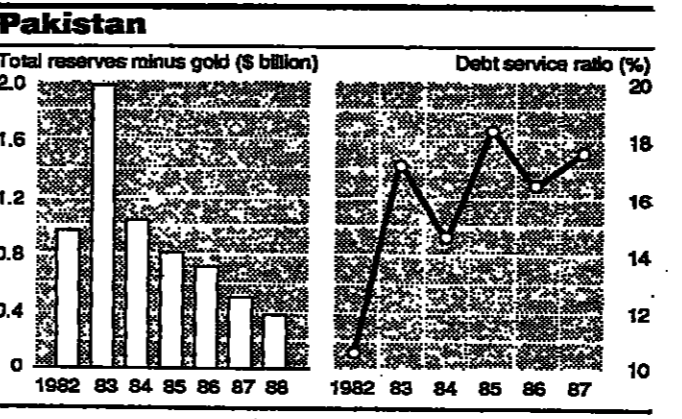
Pakistan confronts the economic crisis hidden under a pile of debt

PAKISTAN'S Benazir Bhutto took office as Prime Minister in December amid immense international goodwill, every ounce of which will be needed in Paris today when the country's leaders ask a consortium of aid donors for an unprecedented and desperately needed \$3bn.

rupee investment which has not been forthcoming. This was accompanied by a crippling expansion in the country's internal borrowing.

national Monetary Fund agreement for \$1bn which a senior World Bank official described as "the toughest I've ever seen".

Ms Bhutto, who herself holds the finance portfolio, so far has offered no solutions to unemployment.



month. 85 per cent of the aid being sought from the consortium is needed for debt servicing, so will not be available to help meet public expenditure targets.

Bhutto move likely on security reform

By Our Correspondent in Islamabad

LONG-EXPECTED moves by Ms Benazir Bhutto to force Pakistan's armed forces out of the political arena appear imminent with reform of the security services topping the agenda.

The Government Ms Bhutto inherited was so bankrupt that it was printing money to pay salaries, ministries had run out of stationery, photocopying had been banned and empty ballotpen cases had to be presented before refills could be issued.

from workers in the Gulf, the country's single largest source of foreign exchange, which peaked in 1984 at more than \$3.2bn.

Moreover, the agreement, which requires the budget deficit to be cut from nearly 9 per cent of GNP to less than 5 per cent in three years, involves austerity measures which are proving politically crippling for a new government facing high public expectations.

By speaking of a tough budget with no explanation, she has fuelled much speculative activity. People panicked and began hoarding and buying up - causing prices to rocket and a surge of imports, worsening the trade balance.

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AMERICAN NEWS

Wright opens defence of his ethics

By Lionel Barber in Washington

MR JIM WRIGHT, the Speaker of the US House of Representatives, yesterday opened his defence against wide-ranging ethics charges before the most important jury of all - the House Democrats who will have the final say over whether he keeps his post.

Mr Wright addressed a closed session of the Democratic caucus in the House chamber, with many members saying they were concerned but keeping an open mind.

On Monday, the House Ethics

Committee issued a politically devastating report, amounting to an indictment, in which it said it had found "reason to believe" that Mr Wright had violated rules on congressional conduct on 69 separate occasions.

The Speaker's supporters, mainly based in the Democratic leadership and among his fellow Texans, are confident that he will be able to deal with the charges against him.

But other Democrats believe

the charges are damaging the institution of Speaker. Mr Wright is the first Speaker in US history to be formally charged with ethical wrongdoing.

Mr Wright has demanded an early hearing before the 12-member ethics panel, which approved unanimously a report setting out the charges.

These include acceptance of \$145,000 in salary and benefits and "an overall scheme to evade" house limits on outside earned income through the

bulk sale of a book, Reflections Of A Public Man.

The next step is a "trial" in which committee members act as judges and can recommend punishment.

Any punishment requires a vote by the full House, in which Democrats hold a 290 to 173 majority over Republicans.

Many Democrats, however, are concerned that the torrent of critical media coverage about the Wright affair could force the Speaker out of office later this year.

Tougher action urged on budget deficit

By Ivo Dawney in Rio de Janeiro

THE Congressional Joint Economic Committee has urged Congress and the US administration to do more to reduce the federal budget deficit because it is squeezing savings and investment, Reuter reports from Washington.

Representative Lee Hamilton, the Committee's Democratic chairman, said the deficit which released a report on the US economy, was pleased with the seven-year-old economic expansion but was concerned with the current emphasis on consumption and borrowing and the low rate of savings needed to finance business investments.

"We agree that the federal budget deficit has been a major contributor to this problem," Mr Hamilton said at a news conference. "We urge our Congressional colleagues and the administration to take effective steps to reduce the federal budget deficit."

He said the budget agreement between the White House and Congress announced last week would do little to reduce federal red ink.

The panel's report said the economy's weakest points were the nation's low savings rate and the vulnerability of many financial institutions, including falling thrifts and commercial banks with risky Third World loans.

Reducing the budget deficit would improve domestic savings needed to finance business investment and research and development for the future, it said.

The report said the Federal Reserve was walking a thin line in making monetary policy given the maturity of the current expansion and a 15-year low unemployment rate that brings the economy close to full employment.

Panel member Senator Steve Symms, an Idaho Republican, expressed concern that the Federal Reserve could overreact in its bid to fight inflation and raise interest rates too high and choke off the expansion.

"If they continue to crank up interest rates, that may not have the effect of being non-inflationary but have just the opposite effect as it increases the cost of doing business and pushes the price index up," he said.

Brazil's dominant party in struggle over poll candidate

By Ivo Dawney in Rio de Janeiro

THE outcome of Brazil's presidential elections in November and the future of its dominant political party - the Democratic Movement (PMDB) - may well be decided today at a meeting of the PMDB leadership in Brasilia.

A hundred PMDB delegates will attempt to choose unanimously whom to recommend as the strong candidate of the left-wing party - Mr Leonel Brizola and Mr Luis Inacio Lula da Silva - the more Mr Quercia has demurred.

But after three months of intensive manoeuvring, the party, which holds majorities in both houses of Congress, is hopelessly split over the candidates.

They include the Bahia governor Mr Waldyr Pires on the left, the veteran party leader Mr Ulysses Guimarães and Parana governor Mr Alvaro Dias in the centre; and Mr Iris Resende, the former Farm Minister, on the right.

Not one, analysts claim, stands a chance of winning. Instead, the party's hopes, already badly undermined by its unpopular links with the government of President José Sarney, lie with Mr Orestes Quercia, the governor of Brazil's most powerful state São Paulo.

But so far, Mr Quercia has played a brilliant waiting game, insisting that he is not running and pleading support to the PMDB's grand old man and "unity" candidate, Mr Guimarães.

The more independent commentators and party grandees have emphasised that only the São Paulo governor can defeat the strong candidates of the left-wing parties - Mr Leonel Brizola and Mr Luis Inacio Lula da Silva - the more Mr Quercia has demurred.

Finally, Mr Quercia is said to have agreed to stand. But only if his two fiercest enemies, Mr Pires and another north-eastern governor, Mr Miguel Arraes, back his nomination.

These two now have to choose between fielding a strong candidate with a powerful political machine and substantial private funds or backing a loser and facing the wrath of the party.

Mr Arraes, who regards the São Paulo governor as a cynical conservative, is famous for saying it would be better to lose with Mr Guimarães than win with Mr Quercia. But he will be under strong pressure to give way from powerful interests anxious to cling to power.

Chile strike only partial success for unions

By Barbara Durr in Santiago

A 24-hour general strike called by Chile's largest labour confederation, the Central Unica de Trabajadores (CUT), appears to have been only partially successful.

In the capital most shops and restaurants were open and banks were operating normally. Transport, however, was visibly diminished, with some 25 per cent of buses absent and road traffic thin.

Labour leaders reported that 50 per cent of the workforce at some factories was striking.

The strike was to press for the release of two CUT leaders from internal banishment and for the reversal or ending of privatisation of state companies.

The CUT also demanded a higher minimum wage and the rehiring of workers allegedly sacked because of voting against General Augusto Pinochet in last October's plebiscite.

A series of bombings on Sunday and Monday nights, which injured two people and caused a brief blackout in Santiago, were denounced by the government as intimidation tactics to force workers to adhere to the strike.

The government has suggested that communists are behind the labour action. Mr Gonzalo Garcia, Deputy Minister of the Interior, urged condemnation of "those movements that attempt to hurt the country's development and provoke violence and damage."

Peru municipal polling date set

President Alan Garcia of Peru has announced that nationwide municipal elections will be held in Peru's 181 provinces and 778 districts on November 12. Veronica Baruffali reports from Lima.

Last week it was announced that the presidential election had been brought forward a month to March next year. This is to guarantee enough time to run a second ballot, if no party obtains a majority in the first round.

Political advance in a fiscal jungle

Peter Riddell analyses Bush's outline budget deal with Congress

SELDOM can an agreement between an administration and Congress have received such a lukewarm reception as the outline budget deal announced in the spring sun of the White House Rose Garden last Friday by President George Bush.

"Minimalist", "lowest common denominator", "see us through the night", are some of the descriptions used even by those who attended the ceremony. And two key participants crucial to the implementation - Senator Lloyd Bentsen and Representative Dan Rostenkowski, the chairman of the Senate and House tax-writing committees - stayed away from the Rose Garden because of their doubts.

It is easy to dismiss the agreement as "blue smoke and mirrors", or, in Senator Lloyd Bentsen's view, "marginal". Yet there are pluses, even if they are more political than economic. The fact that a deal was announced in mid-April is in itself a striking contrast with the confrontations and last-minute, late summer deals of the Ronald Reagan years.

Bipartisanship can be an empty slogan, enabling all the participants to feel comfortable and paper over the cracks. But it underlines a common view of the problem, even if not the political will, yet, to solve it. Government in Washington is now by co-operation, rather than grand gestures.

Without the pressures induced by a crisis, the results are undramatic. Mr Richard Darman, the Budget Director, summed up the Administration's gradualism in claiming



Dan Rostenkowski (left) and Lloyd Bentsen: absent from the unveiling of the budget deal

that the deficit could only be tackled by "manageable steps, not with giant steps all at once".

But does the deal represent a step forward? The figures for overall spending will be incorporated in the outline budget resolutions about to be set by the Senate and House, and congressional leaders agreed with the overall revenue figures, if not the details. This should exercise a downward pressure on the deficit.

Beyond this the shortcomings of the deal are all too apparent. The biggest questions arise on the revenue side. Some \$5.3bn is expected to come from new tax revenue, almost entirely from the initial boost to receipts produced by cutting capital gains tax.

Whether or not this estimate is right, this proposal has been

unambiguously rejected by Democratic leaders, though the Administration still talks lamely about winning over Congress. Minor alternatives have already been raised, such as extending the excise tax on airline tickets, but any solution is likely to be fudged as long as the President's pledge of no new taxes remains.

The outcome for fiscal 1990, starting this October, depends both on what the appropriation committees decide this summer on detailed spending and on the revised economic forecasts in August which will indicate how much more needs to be done to reduce the deficit below the statutory Gramm-Rudman target of \$100bn. Since there is anyway a \$10bn leeway and the Administration's forecasts will probably be as optimistic as always, it may be

possible to give the appearance of meeting the target without too much trouble.

What happens in practice could be very different. The deficit in the current fiscal year is likely to be at least \$180bn and you have to have great faith in the \$40bn of extra revenue produced next year by economic growth expected by the Administration, or the \$25bn of spending savings and added tax receipts agreed last Friday, to believe that the deficit for fiscal 1990 will be much below \$130bn to \$140bn at best.

Fiscal 1991, with a \$64bn Gramm-Rudman target, will be even more difficult. Senator George Mitchell, the Democratic Majority leader, has said talks with the Administration on that year will start immediately, and tax increases will be "inevitable" then. The Administration is not yet prepared to concede that publicly.

Meanwhile, administration officials are whistling in the wind to believe that the current deal will of itself be sufficient to produce lower interest rates. It falls well short of the objective of a multi-year deficit reduction package set by President Bush in February and regarded by Mr Alan Greenspan, chairman of the Federal Reserve, as the key to market credibility.

Describing the agreement as the "best in the circumstances", Congressman Lee Hamilton, chairman of the joint economic committee, yesterday summed up a widespread feeling when he said: "We are eroding the strength of the economy while we put off serious deficit reduction."

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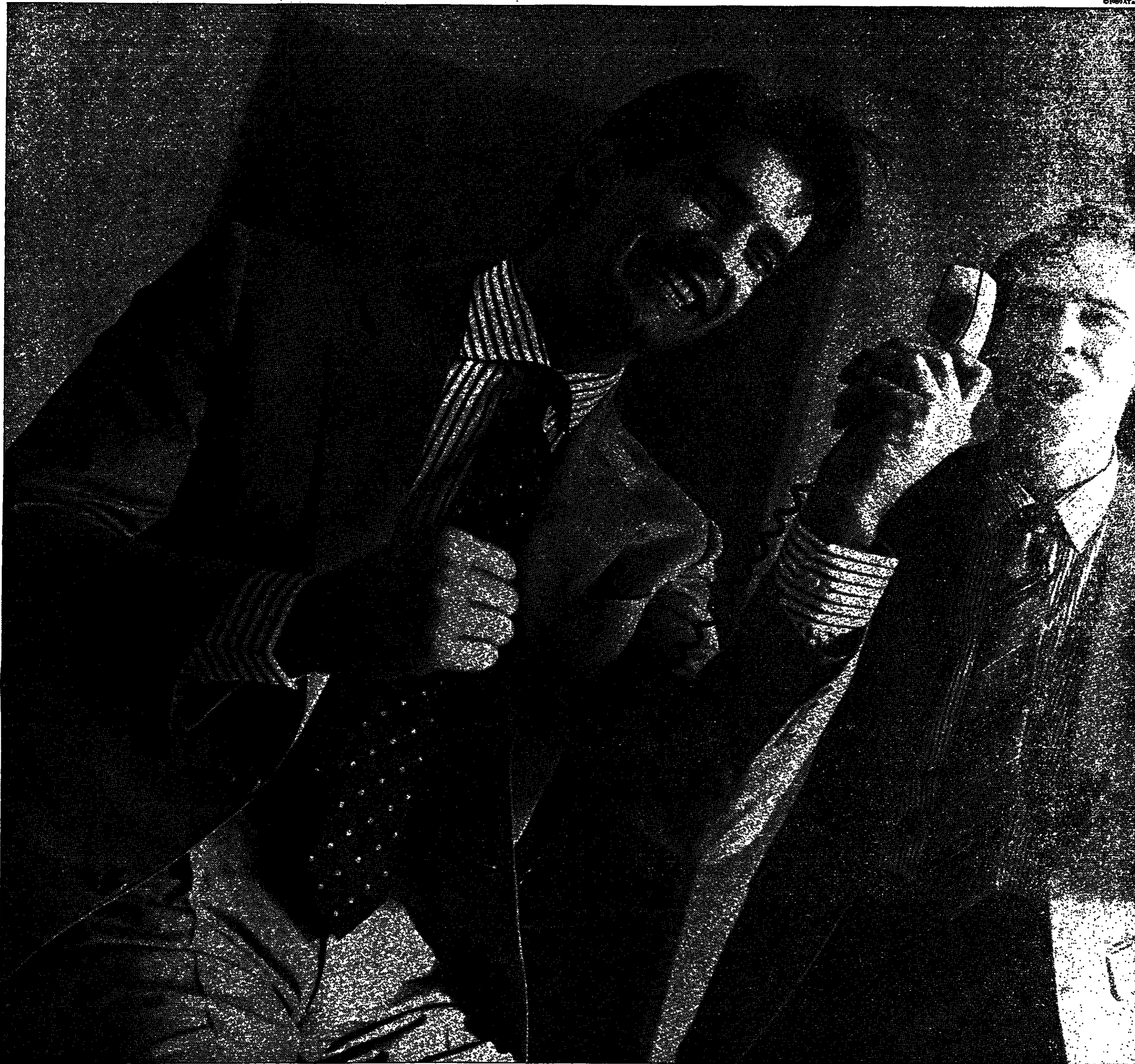
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WORLD TRADE NEWS

Objections raised to Tokuyama bid for Gen Ceramics

By Lionel Barber in Washington

THE Bush Administration has raised objections to a Japanese company's proposed \$85m acquisition of General Ceramics, a New Jersey company involved in nuclear weapons technology.

Tennessee. Among the company's products are high-tech ceramics used in components for nuclear weapons manufactured at the plant.

Call to protect European commercial vehicles

By Kevin Dons, Motor Industry Correspondent, in Turin

MR GIORGIO GARUZZO, chief executive of Iveco of Italy, West Europe's second largest truck maker, yesterday called for temporary protection for the European commercial vehicles industry from the threat of Japanese imports.

assembly plant in the UK. He expressed support for "free international trade", but said this could only be based on "reasonably equal positions".

GPA becomes 'Boeing of leasing business'

Kieran Cooke looks at the modest operation behind the biggest ever aircraft order

AIRCRAFT orders running into billions of dollars conjure up images of freshly-liveried airliners parked on the tarmac, bustling uniformed staff and travel agents' 'Fly Me' posters.

regulations prevent such expenditure. In some cases even the big airline companies find the capital cost of buying aircraft too much of a strain on their budgets.



Maurice Foley, model manager, not 'aircraft speculator'

financing services and research side of the business. GPA now has joint ventures with almost all the western world's aircraft companies. It also specialises in aircraft trading, aviation banking and other services connected with the industry.

Bankers turn to aircraft financing for new business

Kieran Cooke looks at the modest operation behind the biggest ever aircraft order

WITH THE slowdown in merger-related lending in 1988, banks are increasingly turning to aircraft financing which offers more potential for new business than almost any other type of lending, Norma Cohen writes.

Operating finance, the technique used by clients of GPA, works much like car hire, with the lessor leasing the aircraft for several years, after which ownership reverts to the lessee.

The company says it has no trouble financing its purchases. Last week GPA executives were in New York, London and Tokyo giving presentations to various banks and financial institutions.

France and West Germany offer tax write-offs to nominal owners based there, although in France the advantages are generally limited to those purchasing French-built aircraft.

Cuba tourists

More than 2,000 tourists from Western Europe and Canada have arrived in Cuba this year, according to the Cuban government's news agency.

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Take a closer look at Tarmac

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■ It had a turnover in 1988 of nearly \$600 million and employs over 4,000 people.

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■ The stone is located underwater and recovered with a giant dragline that scoops up over 60 tons of stone in one bucket.

■ Our Virginian operations use the James River as the backbone of their transport system. A fleet of over 100 barges carry building aggregate from the quarries and sand and gravel operations over 100 miles downstream to Norfolk.

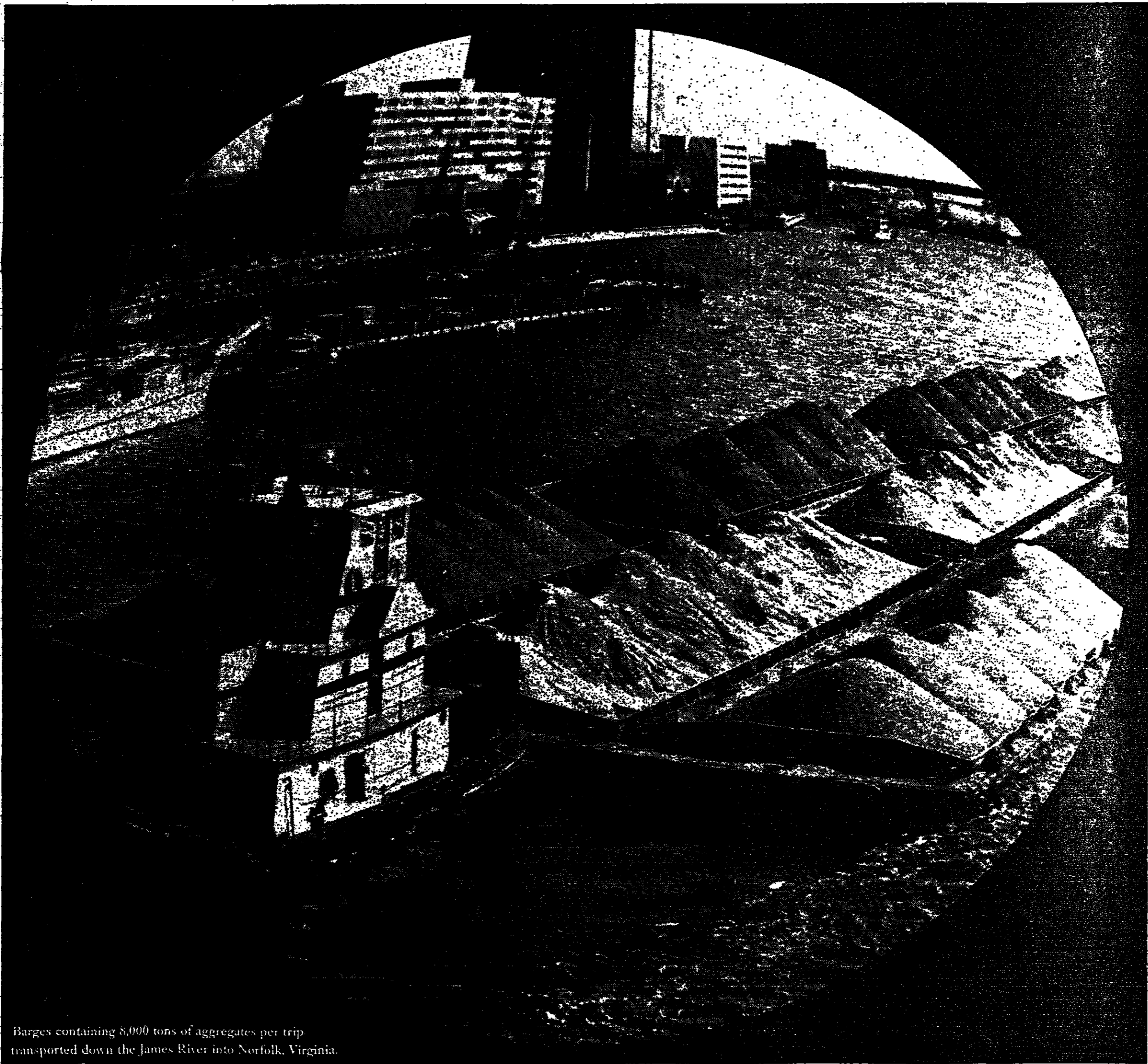
■ Our barges, containing 8000 tons of aggregates per trip, are pushed down river by a fleet of three large 1400 horse power diesel tugs and 12 small "puffers."

■ In total Tarmac America has at least 1.5 billion tons of granite, limestone and sand and gravel in its major quarries and pits, enough to last its customers well into the 21st century.

■ Tarmac America will shortly see the benefits of a \$14 million investment programme at its cement plant at Roanoke in Virginia. The plant is one of the largest in North America and is Virginia's only Portland cement manufacturer. It has reserves of over 200 million tons of limestone - producing over 1 million tons of cement a year.

 **Tarmac
America**

Tarmac America, Inc.
13873 Park Center Road, Suite 353, Herndon
Virginia 22071
Telephone: 0101 703 481 3104



Barges containing 8,000 tons of aggregates per trip transported down the James River into Norfolk, Virginia.

TAKE A CLOSER LOOK AT TARMAC FOR DIVERSITY AND DEPTH

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WORKERS WITHOUT JOBS
TO DO THE JOBS
WITHOUT WORKERS.**



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Are none of your best people being poached by rivals? Do you have no need for management consultants, business advice, or any business skills whatsoever?

If so, please excuse our impertinence.

However, if you're a boss looking towards the 1990s with slightly less confidence than look towards Business Growth Training.

It's a programme full of ideas designed to help you turn the business problems of the coming decade into business opportunities.

Business Growth Training is aimed at bosses big or not so big, owners, managers or owner-managers running booming, blooming or budding businesses.

If you belong to any of the categories above

and you want yourself, your staff and your business to grow, find out more about Business Growth Training.

Send off the coupon by ringing 0800 300 787 now.

Remember, training is nothing but a buzz word.

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Please send to Business Growth Training, FREEPOST (TK450), Brentford, Middx. TW9 1EX. (No stamp needed.)

Yes, I would like to receive the Business Growth Training brochure.

Name (Block letters please)

Position

Company Name

Company Address

Postcode

Telephone Fax/Telex*

*Delete as appropriate

Type of business: Service Retail

Manufacturing Export Other

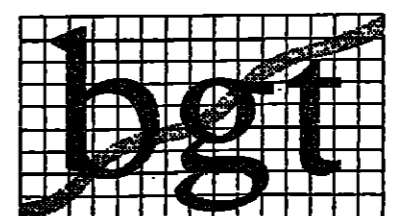
Company size: (No. of employees) 1-5

6-25 26-100 101-500 500+

Or call FREE (24 hours) on 0800 300 787

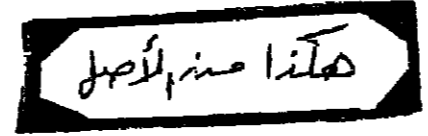
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TRAINING AGENCY



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BUSINESS GROWTH TRAINING



TREASURY MANAGER

Central London c. £50,000 + car

As a result of internal promotion, an exceptional opportunity has arisen in this high profile, £ multi-billion turnover plc which has up to £2 billion invested in the money markets and a debt portfolio of £1.5 billion.

Reporting to the Treasurer, and supported by a team of about 20 managers and specialists, you will be responsible for corporate funding and investment activities and for the optimisation, development and administration of a wide range of treasury operations. As a senior member of the corporate finance team you will play a key part in the continued growth and profitability of the organisation.

You should already be in a senior corporate treasury role and now be ready to take greater strategic and management responsibility in a large and growing international environment. Combining a high level of technical expertise with an innovative outlook, you will create new business opportunities by extending the range of instruments employed and assisting in the development of advanced support systems.

Please send a career résumé, with salary history and day-time telephone number quoting reference 3024, to Neil Cameron, Executive Selection Division.

Touche Ross
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Telephone: 01-353 7361.

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Are looking for a new challenge.
Write Box A1298, Financial Times, One Southwark Bridge, London SE1 9EL

ADMINISTRATOR
A position has arisen for a 'back-office' Administrator in Analysis Portfolio Management Ltd., the investment arm of the Analysis Group Plc based in Harrogate. This is a busy and expanding investment company and primary requirements are the ability and experience to run a small team processing Stock Exchange and Unit Trust submissions. Experience of computerised systems would be advantageous. Salary will be negotiable, depending upon experience and will reflect the importance of this position. Applications with CV should be sent to:
The Personnel Director
Analysis Group Plc
Analysis House
1, Park View
Harrogate HG1 5LY

BANKING INTERNATIONAL FINANCE

London c.£27,000 + bank benefits

Our client is the London branch of one of the world's leading banks. With expanding international operations, opportunities have arisen within the Bank's International Finance Section.

We are seeking graduates with at least two years' experience in a banking environment, ideally with some international exposure, to join a growing organisation and service fast increasing business requirements. In particular, self starters with good credit analysis skills are sought, with the ability to make high level presentations both internally and externally to clients and other professionals.

Candidates must be prepared to operate at a management level in any of the following areas of financing: syndicated, structured, project, commercial property and M&A. Candidates will have both flair and a capacity for accuracy and thoroughness.

The successful candidates will have immediately rewarding work and success will bring further recognition. If you are interested in learning more about these positions, please write, enclosing your full career details, giving present salary, day and home telephone numbers, quoting reference D7402 to James Forte.

KPMG Peat Marwick McLintock
Executive Selection and Search
70 Fleet Street, London EC4Y 1EU.

FUND MANAGER

FAR EAST EQUITIES

The opportunity to take charge of all Far East Equity investments in a progressive UK firm

The position is likely to appeal to a Far East Equity fund management specialist who is looking for the opportunity to take full responsibility for the management of a wide range of funds. As the head of a team of three you will manage assets of approximately £300 million invested principally in Japan.

You are likely to be in your early thirties and will have gained a minimum of 5 years' experience in Far East equities markets, including at least 2 years as a Fund Manager with an emphasis on the Japanese market. You must be able to demonstrate a good performance record and a knowledge of asset allocation for this area. You must also possess well-developed people management and communications skills.

The company has an impressive growth record and now manages assets in excess of £5 billion. The atmosphere is professional, friendly and team-orientated. The position carries a highly competitive compensation package, which includes a company car, generous performance-related bonus and mortgage subsidy. If you would like to be considered for this position, please telephone **Michael Thompson on 01-222 7733** or write to him at **John Sears and Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP.**

John Sears and Associates
A MEMBER OF THE SACIL GROUP

CHASE

INNOVATIVE PRODUCT MANAGER

SALARY £NEG

STRATEGIC VISION MAN-MANAGEMENT MARKETING

The Chase Manhattan Bank is a premier financial organisation where dedication to customer service and the development of complex products to meet the needs of Corporate and Institutional clients provide the competitive edge. Corporate Trust represents a key product, essential to the Bank maintaining its position at the forefront of this marketplace. Acting as issuer and paying agent on behalf of Corporate Names, Chase has developed the expertise and structure to deliver increasingly sophisticated debt instruments. To meet the challenges of this rapidly growing business Chase is seeking to appoint a Product Manager.

If you are looking for the opportunity to use your strategic, man-management and marketing skills in a dynamic financial environment; Chase can offer you outstanding career prospects, commitment to your personal development and the opportunity to impact decision making at the highest level. Candidates should be educated to at least degree level and, whilst a knowledge of Corporate Trust is not essential, a familiarity with the securities industry would be desirable. Applicants should however possess the outstanding communication and leadership skills essential to meeting this management challenge.

Interested candidates should forward a full CV to:

Gill Penhaleton,
Well Court Associates,
11 Well Court, London EC4M 9DN.
Tel: 01-236 0723. Fax: 01-489 8305.
Recruitment Consultants

WCA

BOROUGH OF REDDITCH

BOROUGH TREASURER

Following the appointment of the previous postholder to the position of Chief Executive Officer, we are now looking for a talented and experienced qualified accountant to provide a full range of statutory, financial and management responsibilities. The postholder will have a key role to play in the corporate management of the Authority as internal business units and other new management initiatives are introduced to prepare Redditch Council for the 1990's and beyond.

Redditch Council is an innovative Local Authority committed to responding positively to the challenges facing local government and to the needs of the local community. First class financial and management skills will be needed as the Council continues its ambitious programme to make Redditch a better place.

Personal qualities of commitment, enthusiasm and proven initiative will need to be matched by wide experience at a senior level and a track record which demonstrates achievement.

If you are ready for the challenge and you have the right qualities, we would like to hear from you.

For your application form and further details please telephone Redditch 63241 (24 hour service) and leave your name, address and the post title or write to the Personnel Manager, Town Hall, Town Centre, Redditch, Worcs. B98 8AH.

Closing date for the receipt of completed applications is the 2nd May, 1989.

The Council has an equal opportunities policy and applications are positively encouraged irrespective of sex, race and disability.

Crèche facilities subject to availability.

BOROUGH of REDDITCH

European Marketing Director

c. £40,000 pa plus bonus, car
The challenge is just beginning

A major multi-national corporation in a service industry and one of the most prestigious names in its field, our client has an established presence throughout Europe. Although an acknowledged leader, they are not complacent; rather they pursue an aggressive marketing strategy and have ambitious plans for further growth.

This key role carries full responsibility for the development and implementation of European marketing across the broad categories of product development; partnership marketing; database marketing; pricing; research and marketing systems, including the allocation of a marketing budget in the region of \$30 million.

Probably aged 32-45, you will already have achieved considerable success, preferably in a European environment and ideally in transportation or a travel related industry. Proven ability to handle a large advertising budget is essential. Obviously, any knowledge of European languages would be advantageous.

The salary of c£40,000 pa will be enhanced by a performance-related bonus, a quality car and excellent benefits.

If you are ready to meet a greater challenge please telephone **Bob Gunning, Senior Consultant, on 01-439 5740 (01-256 6925 evenings/weekends)** or write to him with full cv, quoting reference 928/IRG/89, at **Austin Knight Selection, Knightway House, 20 Sutton Square, London W1A 1DS.**

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GE Capital

Commercial Equipment Finance

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Unlimited Performance-Related Compensation

Targeted Earnings £40,000 +

G. E. Capital[®] is one of the fastest growing companies in the leasing and hire purchase market. Through direct marketing to a wide range of established manufacturing, engineering and construction companies, the rapidly expanding salesforce has booked significant business over the last three years.

The company has ambitious plans for future growth in this challenging and competitive market. Consequently, they seek to recruit additional sales executives to supplement the existing teams in London, Manchester and Birmingham. Candidates should have a proven track record in selling both operating and finance lease products, as well as hire purchase, to major private and public companies; they may already be working for an established Merchant Bank or Finance House. They should have the ability to source clients, negotiate deals at Board and Treasury level and maintain client relationships. Candidates can expect committed and constructive support from managers, analysts and pricing experts.

The company seeks motivated professionals with drive and enthusiasm; self-starters with a strong desire to succeed. In return, the successful applicants will benefit from a highly competitive package including an unlimited performance-related bonus scheme, a company car and an attractive pension scheme.

Interested applicants should supply full career details to **Mark Hartshorne** at **Michael Page City, 39-41 Parker Street, London WC2B 5LH. Telephone 01-831 2000.**

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

* wholly owned subsidiary of General Electric Capital Corporation (GEA) and not affiliated with the English company of a similar name.

Appointments Advertising appears every

Monday	-	Legal Appointments
Wednesday	-	General Appointments
Thursday	-	Accountancy Appointments

Futures Trader Manager

We are seeking a top quality Financial Futures Trader/Manager for a major international bank. Experience in all aspects of institutional futures trading a pre-requisite (existing contacts and/or floor experience an advantage). Substantial package £28K+. Please contact Dr Ian Morley.

Futures Trader

A leading Brokers House requires an energetic Futures Trader with private client experience. Excellent salary package. Please contact Dr Ian Morley.

European Economist

Our client, a major International Securities House, requires an Economist with forecasting experience. Excellent salary package. Please contact Dr Elizabeth Davidson.

Equity Analyst

An analyst for the Financials sector is required by an international investment House. Several years experience in broking/fund management is essential. Please contact Dr Elizabeth Davidson.

COMMODITY APPOINTMENTS LTD.
116 Shaftesbury Avenue, London W1V 7DJ
Tel: 01-439 1701

Marketing Officer

£28,000-£40,000

Our client is a leading international bank with a profitable and well-established presence in the UK and other World Markets. As part of a major expansion programme, they wish to recruit highly motivated and sales-orientated Marketing Officers to establish a full range of marketing facilities in the Shipping, Energy and Asset-Based Divisions.

These positions call for a confident personality, enthusiasm and good communication skills to adopt a 'hands-on' approach to direct negotiations with clients for new business.

Candidates will be graduates with several years' experience including credit training, developing and selling financial products in a relationship basis to corporate and financial institutions within a banking environment.

Age: 27-35.

Please telephone **Miles Bromell-Jones, 01-236 103**, or write to him enclosing a full CV at **Personnel Recruitment, 15 Great Saint Thomas Apostle, London EC4V 2BB.**

Credit Analyst

£25,000

This leading Investment House is seeking to strengthen its Credit Resources through the recruitment of an experienced Credit Analyst with at least two years' credit experience.

The successful candidate will be a university graduate who has had formal US credit training and possibly some exposure to Fixed Income, Capital Markets and Commodities. The role will involve a high degree of face to face client contact and you will have your own lending authority. Working on a mixture of Financial Institutions and other Corporate customers, you will need to have a first-class, creative approach to business, together with excellent communication skills and self-motivation. There are genuine opportunities for career development and the benefits package will include a very generous performance-related bonus.

Age: M21-Late 20s.

BORTELIAN
BANKING

CJA RECRUITMENT CONSULTANTS GROUP

3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01-598 3558 or 01-598 3575
Telex No. 887374 Fax No. 01-256 8501

High profile new business development roles, with opportunities to advance to more senior appointments in the bank within 1-2 years.



ASSISTANT DIRECTOR MARKETING MAJOR CORPORATES

CITY £40,000-£45,000 BASE + BONUS + CAR + BANK BENEFITS

A GROWING CORPORATE BANKING DIVISION OF A MAJOR INTERNATIONAL BANK

We invite applications from professional bankers, ideally of graduate calibre, who must have gained around 10 years' relevant banking experience successfully marketing banking products to major corporate clients in UK, Europe and US. Some capital markets exposure will be useful as cross-marketing is a feature. The successful candidate, who will be a key senior member of a closely-knit team, will be responsible primarily for new business marketing as well as further developing a portfolio of existing clients. Products and services being marketed include loans, acquisitions, management buyouts, general broking, commercial banking and FX. Significant travel to clients should be expected. Essential qualities include analytical and diplomatic negotiating skills in a team environment plus the ability to produce results in highly competitive markets. Ref: MC22248/FT.



ASSISTANT DIRECTOR MARKETING UK MIDDLE MARKET SECTOR

CITY £35,000-£40,000 BASE + BONUS + CAR + BANK BENEFITS

This same client also seeks applications from candidates with a similar depth of experience and qualities to the above, but from individuals who have directed their marketing efforts towards UK middle market corporates below the top 300 companies. The brief will be to promote and market all the bank's services to companies with a profitable track record and net worth/market capitalisation exceeding £10m. Specifically this will mean: identifying target companies and developing a phased and focused calling programme, meeting clients, negotiating terms of new business and preparing credit committee proposals. Ref: UK22249/FT.

For both these appointments we are particularly keen to hear from candidates in strict confidence by telephone on 01-628 0969 or alternatively in writing, quoting the appropriate reference number, when your reply will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ; TELEPHONE: 01-598 3558 or 01-598 3575. TELEX: 887374. FAX: 01-256 8501.

Mergers & Acquisitions US Merchant Bank

Our client is a major player in the global corporate finance arena. The mergers and acquisitions division offers a wide range of traditional merchant banking advisory services and is backed by the bank's substantial capital resources. They advise on bids and deals, floatations and appropriate forms of capital-raising. The team in London has experience of initiating and concluding transactions in the US and European markets and has an enviable reputation in the UK. Their continued success has led to a demand for individuals at all levels.

Assistant Vice Presidents

£40-55,000

They seek to recruit two individuals with between two and four years' directly relevant experience. Such experience should include responsibility for structuring and running deals and will have been gained within another leading institution.

Rewards are excellent, prospects clearly defined and bonuses high.

For further discussion regarding these positions at this prestigious institution, please call Paul Wilson or Penny Braznah on 01-631 2000 or write to them at Michael Page City, 39-41 Parker Street, London WC2 5LH.

Associates

Recently Qualified ACAs

£25-30,000

In addition to having first class academic qualifications, candidates will need to be commercially oriented and highly ambitious. Wide ranging experience and excellent promotional prospects are offered and these roles should appeal to individuals seeking a career in merchant banking.



Michael Page City

International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

FUTURES/FX DEALERS

FUTURES MARKETING OFFICER £50,000 +
Leading UK Bank currently requires an officer to generate the Bank's existing client base as well as developing new potential institutional users to the market. The company is already a leading player and has a large trading support team and analysts for support.

FUTURES BROKERS £60,000 +
A major European Bank is seeking a Senior Futures Broker to head up its Options & Futures Desk to trade Chicago, LIFFE and MATIF.

LIFFE FLOOR MANAGER TO £70,000
Applicants should preferably be aged 25+ and have been a qualified trader for at least 3 years. The successful applicant will be predominantly trading and will be responsible for the expansion and development of the floor team. A substantial bonus and commission package is on offer.

SWAPS DEALER £50,000 - £60,000
Investment Bank requires Sterling SWAP specialist with good capital market background to expand highly successful team.

FX MARKETING OFFICER £60,000 +
An opportunity exists with a large American Bank for a Senior Marketing Officer at VP level. The successful applicant must be well versed with Off Balance sheet products to head up or be the No. 2 on the desk.

CORP FX TRADER & SALES TO £60,000
Opportunities exist at a number of levels in European and Foreign International Banks. Appropriate applicants must have a minimum of 2 yrs experience and a proven track record.

For a confidential and informal discussion on the above and other positions please contact:

Toby Thompson
Bertram Group Banking
12-14 Devonshire Row
London EC2M 4RH
Tel 01-247 0367 Fax 01 377 6405
2 mins walk from Liverpool Street Station
Member of The City Group PLC (The One)

OPERATIONS MANAGER

New dynamic company within the multi-financial services sector specialising in futures, options, foreign exchange, bullion, equities, and derivative products.

The successful candidate will have proven experience in the major products of the company.

The position will necessitate sound management technique, strict control of all aspects of the company operational systems, innovation, and a thorough knowledge of the rules of A.F.B.D and T.S.A.

This is an opportunity to join a powerful well funded company at a very early stage of development.

A generous compensation package is offered. Please respond with detailed C.V. and the reasons you consider that you meet the requirements of the position.

Write Box A1210, Financial Times, One Southwark Bridge, London SE1 9HL

REUTERS REUTERS

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From £14,000 + Benefits
City

Reuters is the leading world news and information organisation. For the international financial community we provide real-time price information, world coverage of business and market news, on-line access to historical data, facilities for computerised trading, leading-edge communications systems and interface equipment for dealing rooms.

We are now launching a new product aimed at Foreign Exchange Dealing Rooms and are seeking a number of people to train customers in its use.

We are looking for proven Forex experience, probably gained within a major international bank, coupled with an outgoing personality and a thoroughly

professional appearance. Good communication skills and a gift for teaching are also essential in these front line training and customer support roles. You would be joining our team on an initial one year contract but, for those who demonstrate the right aptitude, we can offer the real prospect of an established position.

The attractive salary, is matched by an equally generous benefits package which includes six weeks' holiday and a subsidised restaurant. Future prospects within the Reuters organisation as a whole are outstanding.

Put your ambitions on the front line. Please telephone 01-353 7329 (24 hour answering service) for an application form or write with full cv to Lorraine Jacob, Recruitment Executive, Reuters, 85 Fleet Street, London EC4P 4AJ.

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RATHBONE

Traded Options Sales - Equity Sales - Eurobond Sales

LEASE BROKER

Client Sector: Unit Vendor programme + middle ticket

Brief: To source deals + structure transactions

Requirements: Experience of non-standard deals with asset value exceeding £1 million. Extensive contacts with both lessees + lessors

SanLod

The Rathbone Consultancy
Premier House, 77 Oldbath St, London W1R 1BS tel 439 1185

Senior Management Roles in Banking Exceptional Growth Prospects

£35,000 to £50,000 plus City

Our client has a successful history in providing financial services, with a special capability in trade financing and asset-backed financing, to a select international clientele. In line with new developments in global strategy the bank is in the process of creating a team of

Senior Executives based in the City reporting to the Group Chief Executive Officer to develop and extend the bank's business internationally. This new management team will assist the CEO in spearheading the new growth phase now planned.

Director Investment Banking

£50,000 + with banking benefits

The responsibilities of this key position will be to develop and implement the group's strategy for investments in a selected range of equities and money market instruments. Considerable input into the preparation of strategy is required in addition to a continuing monitoring of the banks' positions and exposures and the identifica-

tion of investment opportunities world-wide. Particular emphasis will be placed on the development of investment banking products and a private client base to whom such instruments can be sold. Candidates should have at least 5 years in a senior treasury role in a major financial institution with a demonstrable record of success.

Assistant Director Risk Management

c £35,000 to £40,000 with banking benefits

This challenging position takes responsibility for all credit issues on a global basis. This includes the review of all credit requests and the development, implementation and continuous monitoring of all credit processing and analysis procedures and standards world-wide. Preferably educated to degree/MBA level, candidates

should have 5 years experience in syndicated lending, the execution of effective security for international trade finance and lending secured on property and stocks and shares. Practical knowledge of drafting and reviewing documentation in liaison with legal advisors will be essential.

Director Financial Institutions

c £40,000 to £50,000 with banking benefits

The overall responsibility of this senior role is to manage the banks' external relationships, specifically with correspondent banks in order to increase and diversify the financial resources available to the group. Equally important will be the development of a strategy designed to achieve maximum benefit from liability

management. This is a key marketing role and candidates should be highly experienced executives who have developed, over the course of their career, substantial international banking contacts world-wide. A preparedness to travel and to vigorously develop new contacts are pre-requisite.

Attractive benefits package includes car, pension, health insurance and life cover.
Interested candidates should write to Christopher Bainton enclosing their CV and quoting reference MCS/2037 at:

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse



Head of Investment Management

Citibank in London has established itself as the premier private bank providing international banking and investment services for wealthy individuals around the world.

We are now seeking a senior investment business manager to manage all portfolio management, investment advisory, treasury and fund products for clients of Citibank Private Bank in the UK.

Reporting to the Head of the Private Bank in London, this is one of the most visible and prestigious jobs in the Europe, Middle East and Africa Division. You will assume a key role as a member of the Divisional Asset Allocation Committee and manage a large staff of top-notch investment and support professionals. In addition, you will take responsibility for a range of product development and management activities.

The successful applicant will have a broad experience in international fund management, ideally for private clients, but possibly for institutional clients.

People management skills, imagination and proven creativity in product development will be highly prized attributes.

The position carries an attractive and competitive salary, with full banking benefits. Please send your CV - with full details of current salary and day-time telephone number - to Derek Froud, Private Banking Group, Citibank NA, 41 Berkeley Square, London W1X 6NA.

We are an equal opportunity employer.

CITICORP CITIBANK

SWAPS & CAPS MARKET

Are you getting the kind of experience you deserve in the fixed income business? We are looking for a few top quality people from the City with trading desk or back office experience. Our high growth company has opportunities for high achievers in Lon, NY, and Tokyo. Sales skills preferred. Willing to travel. Languages. Send C.V.

C-ATS Software
3-Marlowe Ct.
London SW3 2PD
01-823 9876.

An opportunity to create a quality presence in broking throughout the Far East. At least two years experience in broking is essential. Currency Options experience preferred. Must be self motivated and exhibit leadership qualities. Territory covered includes market-makers and market-users in Australia, Singapore, Hong Kong, Japan and Korea. Willingness to travel extensively is essential. The package offered will be very attractive for the right candidate.

All enquiries will be treated in strictest confidence, and should be addressed to Box A1211, Financial Times, One Southwark Bridge, London SE1 9HL.

PORTFOLIO SELECTION TECHNIQUES, PARIS.

Research and Methods Analyst **Lightly Experienced, about 2 yrs.**

Our client is a leading French Bank with an impressive global network. The bank is innovative, its management structure is cosmopolitan, domestically its competitors find it hard to ignore. To improve its equity fund management the bank wants to develop programmed methods of equity selection valid in all world markets; its existing funds under management are very widely spread. You should be a graduate with a degree in a relevant discipline, such as finance or accountancy preferably with a background in economics. Ideally your course should have included modern portfolio techniques, such as beta analysis and its subsequent use in portfolio selection. You should be computer literate: able to translate fund management techniques into systems and strategies that will update and extend existing methods, and integrate these into the fund management team. You should be able to speak French. The right qualities of personality are always important, particularly in this case: in time the successful applicant is likely to be managing an influential department. You will be aware that you have a good empathy for detail and should enjoy achieving through careful consideration and analysis. You will also be aware that it is important to innovate and press for results: you should have the willpower to make your opinions felt with your peers. Paris has some unique attractions: accommodation is inexpensive, the City is particularly beautiful and there are some advantages for career development that would be hard to find in London. Please telephone Luci de Nordwall or send/fax a CV to her. All enquiries dealt with in confidence.

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15 Great Eastern Street · London EC2A 3EJ
01 - 377 1600

Fax No. 377 1801

£20-25K pa
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+ Relocation

Project Finance Manager

London **£45,000-£50,000 + Car**

This major UK Plc, a market leader in the telecommunications industry is involved in a wide variety of multi-million pound contracts often involving joint ventures in the UK and internationally. They now wish to strengthen the management of major contracts by establishing a project finance function which will be part of the Treasury unit within Group Finance. As Head of Project Finance you will work closely with the operating divisions and be involved in the financial aspects of major projects at all stages from bidding through to completion. This will include devising appropriate financing structures and developing contacts with banks and other financial institutions. Aged 33-40 you are a graduate with substantial project experience gained either within a major corporate or bank, ideally involving a range of countries and project types. Numerate and analytical you have excellent interpersonal skills and can command respect with both operating management and joint venture partners. Interested applicants should write enclosing career and salary details, quoting Ref: 322, to Alison McKie, Whitehead Rice, 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

DRUCE

CREDIT CONTROL MANAGER REQUIRED FOR MAJOR LONDON ESTATE AGENTS

Preferably a member of the Institute of Credit & Management aged 28 - 35 with a minimum of 5 years' experience. Reporting directly to the Chief Executive, the successful applicant must have comprehensive knowledge of relevant aspects of litigation and an ability to liaise with people at all levels. Substantial salary, car and usual benefits. Please reply with full C.V. to A B Crabtree, Druce, 21 Manchester Square, LONDON W1A 2DD. TEL NO. 01-486 1252, FAX NO. 01 486 9366

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- The financial sector - Taxation - The structure of Government-owned business enterprises, including privatisation - Social policy and income distribution - Regulatory reform and trade liberalisation - Public sector management, including financial management - Resource management.

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For further information contact John Whitehead, The New Zealand High Commission, New Zealand House, Haymarket, London SW1Y 4TQ. Telephone collect (01) 930-8422, or Derek Gill, New Zealand Embassy, 37 Observatory Circle, N.W., Washington DC 2008, USA. Telephone collect (202) 528-4800.

Further enquiries and applications should be directed to Heather Kizito, The Treasury, P.O. Box 3724, Wellington, New Zealand, telephone collect (0064) 4 722-733 ext 8227 or fax (0064) 4 730-982.

Please enclose a curriculum vitae, two passport size photographs, and the names of two professional referees who can be approached initially. All applications will be treated in strict confidence and no approach will be made to present employers without permission of the applicant. Applications should reach Treasury by 5 May 1989.

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GENERAL MANAGER FINANCE New Zealand

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Applications with curriculum vitae should be forwarded to the consultant advising Challenge Properties:-

Alasdair Hislop
Spencer Stuart & Associates
G.P.O. Box 3905
Sydney N.S.W. 2001
Australia

Applications will close on Friday, 12th May, 1989.

FT LAW REPORTS

No corporation tax for mining finance company

COLLARD v MINING & INDUSTRIAL HOLDINGS LTD
House of Lords (Lord Bridge of Harwich, Lord Brandon of Oakbrook, Lord Oliver of Aylmer, Lord Jauncey of Tullichettle and Lord Lowry): April 13 1989

A COMPANY can off-set double taxation relief against corporation tax on its foreign income before off-setting advance corporation tax already paid on its UK distributions against the global foreign and UK liability.

The House of Lords so held when dismissing an appeal by the Inland Revenue from Court of Appeal decision (1988) 1 FTLR 171 that the company, Mining & Industrial Holdings Ltd, was not liable to corporation tax in respect of the accounting period ending June 30 1980.

Section 505 of the Income and Corporation Taxes Act 1970 provides: "The amount of credit for foreign tax... allowed against corporation tax... in respect of any income shall not exceed the corporation tax attributable to that income."

Section 100 (as unamended) of the Finance Act 1972 provides: "(3) For the purposes of section 505 of the Taxes Act... (6) Where... advance corporation tax falls to be set against the company's liability to corporation tax (a) the company may... allocate that advance corporation tax... to the corporation tax attributable to such of its income... as it thinks fit; and (b) the amount of corporation tax attributable... shall be reduced by so much... as is allocated... but the amount... allocated... shall not exceed the advance corporation tax that would have been payable... in respect of a distribution... of an amount which, together with the advance corporation tax so payable in respect of it, is equal to that income."

LORD OLIVER said that the company was a mining finance house. In the accounting period ending June 30 1980 it was liable to corporation tax on its profits at 52 per cent.

Its gross profit was made up of sources in respect of which there was no double-taxation relief, and from dividends from foreign companies which qualified for double taxation relief.

By section 84(1) of the Finance Act 1972 a company resident in the UK was liable to pay "advance corporation tax" when paying out dividends.

During the relevant accounting period the company paid out dividends totalling £2.9m, on which it paid advance corporation tax of £963,262.

Advance corporation tax could be set off to some extent against the company's liability to corporation tax. The question was as to the way in which that should be done.

The company contended that in calculating the amount for set-off, double taxation relief should first be deducted from the foreign income. The total outstanding corporation tax liability after crediting double taxation relief was £756,773. Against that could be set off the advance corporation tax already paid. The company's liability was thus reduced to nil.

The Crown contended that double taxation relief had to be ascertained after crediting advance corporation tax. On that footing the maximum advance corporation tax to be credited against the non-doubly taxed income was £324,722 so that there remained an outstanding unrelieved liability for corporation tax of £254,137.

Section 497 of the Income and Corporation Taxes Act 1970 gave effect to arrangements for relief from double taxation. Subsection (2) provided that the foreign tax should be credited against UK tax.

Section 501(1) provided that where credit was to be allowed against UK income tax, the amount of UK tax "so chargeable shall be reduced by the amount of credit."

A ceiling was imposed by section 505 on the amount of credit for foreign tax to be allowed against corporation tax in respect of any income. It was not to exceed the corporation tax attributable to that income.

Section 85 of the 1972 Act provided that advance corporation tax paid by a company should be set against its liability to corporation tax "on any income charged to corporation tax... and shall accordingly discharge a corresponding amount of that liability."

By section 100(6) of the 1972 Act, a company could apparently vary the amount available for double taxation relief credit, by allocating advance corporation tax to any source of income it chose.

But the effect of section 100(6)(b) was that such allocation could only reduce the taxation relief ceiling.

Mr Park for the company acknowledged that he could think of no readily conceivable circumstances in which that would be to a taxpayer's advantage.

That curious circumstance was the foundation of the Crown's argument.

The Crown's calculation was based on the contention that somewhere in the legislation was a provision that for ascertaining the section 505 ceiling for double taxation relief, any advance corporation tax paid by the company was attributed to income in respect of which double taxation relief was available *pro rata* in the proportion that that income bore to the total income.

The Crown submitted first, that reading section 100 as a whole, one could discern a necessary implication of *pro rata* allocation and reduction, amounting in effect to express enactment.

Secondly it was said that subsection(6) assumed a position had been created in which the allocation of advance corporation tax had reduced the corporation tax attributable to that income.

It was said that the legislature by an oversight omitted to create the position, and the court must therefore construe the Act by reading in the words that it forgot to include.

The logical or rational justification for that was said to be (a) that it was the only way in which any sensible purpose could be attributed to section 100(6); and (b) that if such an implication was not made, the result could be that by global application of advance corporation tax credit against global income, after crediting double taxation relief to the maximum extent permissible, the company escaped corporation tax altogether on its non-doubly-taxed income.

The structure and language of the legislation led to the opposite conclusion. They pointed strongly to the conclusion that the deduction of double taxation relief was intended to precede the set-off of advance corporation tax.

Section 100(6) did not deal with how the set-off was to be made, but with ascertainment of the ceiling for purposes of section 505 of the 1970 Act.

It seemed plain from the words of section 501 that what the double taxation relief was to be credited against was the company's potential liability to pay corporation tax - the amount "so chargeable shall be reduced."

In section 505 the "corporation tax attributable" to the foreign income obviously had to be ascertained before the double taxation relief deduction. Section 85, dealing with set-off of advance corporation tax, clearly referred to a liability to pay which had been finally ascertained, and to global liability ("any income charged to corporation tax") which was to be "discharged" to a corresponding amount.

There was no context, apart from such implication as could be derived from section 100(6), for reading "corporation tax attributable to any income" as meaning anything different in section 100 from the same expression used in section 505. The tax which would become chargeable before deductions or set-offs.

The result sought by the Crown would involve the wholesale redrafting of subsection (9) so as to include the set-off of advance corporation tax shall... be allocated ratably... and (ii) the amount... attributable to the relevant income... shall be reduced by so much as is allocated.

That something had gone wrong with the drafting of the statute was clear, but the essential conditions for so radical an implication did not exist. To make such an implication in a taxing statute for the purpose of imposing a tax which the legislature had not sought to enact in express terms must be almost, if not completely, unheard of.

There was no rationale or practical justification for the scheme for which the Crown so strenuously contended, beyond a desire to extract the maximum amount of tax.

The company had already borne 59 per cent tax on the income, since some of the foreign tax exceeded 60 per cent. The main question of available reliefs to impose an extra burden of 7 to 8 per cent seemed little short of preposterous.

In the absence of compelling statutory words, there was no logical or rational justification for imposing an additional burden simply because the company had made distributions on which it had paid tax in advance.

The appeal was dismissed. Their Lordships agreed.

Rachel Davies
Barrister

TECHNOLOGY

In an ideal world, the telephone system would allow people to contact each other whenever they wanted to. But in practice, phones are often extremely frustrating.

You cannot get hold of people and they cannot get hold of you. On top of this, you have little control over who uses your phone, with the result that unsupervised children, employees and guests can land you with large bills.

These frustrations arise because today's telecommunications networks are dumb. They do not know who is making a call, whom they are trying to reach and who should be paying for the service. They therefore take the easy way out, connecting locations rather than people and charging the owner of the phone rather than whoever is making the call.

Into the era of the intelligent telephone

Hugo Dixon explains the benefits of linking telephone exchanges to a network of databases

A clever phone network would not suffer from these defects. When people left one location for another - perhaps going home in the evening - the call could be diverted automatically to the new location. And, if the person you wanted to speak to was engaged, the system could alert you when he or she was free.

Quite apart from cutting out much of the tedium involved in making phone calls, such changes should give a tremendous fillip to economic efficiency. People could be issued with personal numbers, which would enable them to be tracked down wherever they were.

You could also decide who was allowed to make calls on your phone, so reducing the chances of unexpected bills. You might, for example, want to stop your Swedish au pair calling her boyfriend in Stockholm every night or your teenage kids from becoming addicted to Britain's controversial chatlines.

Equally, people would be able to charge calls to different locations from the one which they were using to make the call. For example, somebody making a business call from a friend's home could charge his office - provided, of course, he was authorised to do so.

Telephone operators in the industrialised world are in the process of developing strategies for converting their present dumb networks into intelligent ones. Although all the features mentioned above - and many more that come under the umbrella of intelligent networks - will probably not be available much before the year 2000, the eventual

switch-over could have a dramatic impact on the effectiveness of the telephone as a communications tool.

The intelligent network, as a concept, relates to a particular way of constructing telecommunications systems. The principal characteristic that defines such a network is that the software or intelligence is placed in central computerised databases, rather than in telephone exchanges.

At present, when an operator wants to introduce a feature, software has to be written for each exchange in its network. This is not impossible, but it is time-consuming and costly. New software has to be able to work with the old software and be tailored to each exchange.

Alternatively, a special network side by side with the main network. This is the way freephone services are delivered. These offer one of the few intelligent network features already available in that they charge a call to the company receiving it rather than to the person making it.

Typically, it takes four years to introduce new features across a network and can cost tens of millions of pounds, says Bob Partridge, in charge of British Telecom's network planning. By contrast, centralising intelligence in a few databases would allow features to be introduced in a matter of months. It would also be much cheaper because only one batch of software would have to be written.

These databases would contain information about how calls should be routed, who should be charged for them and so on. One database might

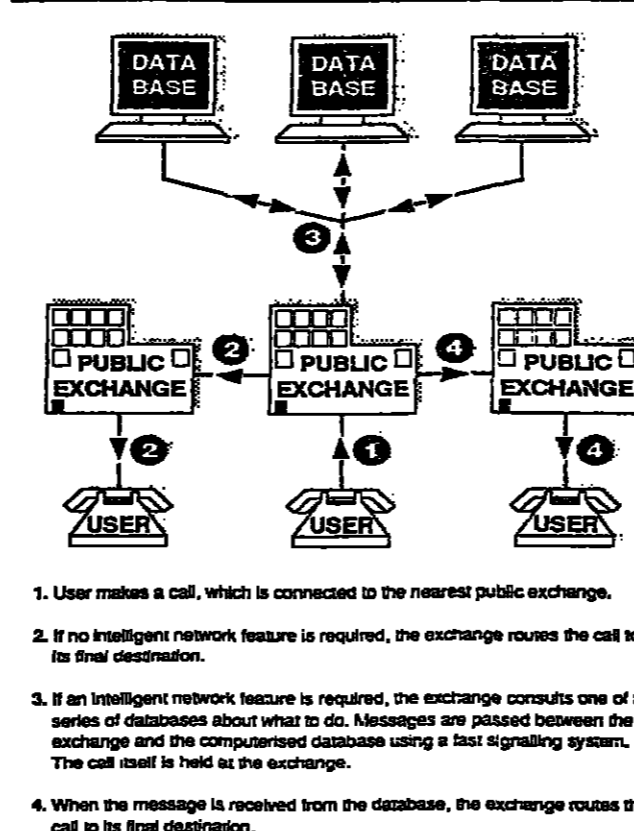
list the authorisation codes of everybody who wanted to pay for calls using credit cards; another might specify people's personal numbers and the locations to which calls should be directed; yet another might detail which calls were out of bounds from which telephones.

Because such information would be in a central place rather than scattered around the country, it would be easy to change. People would be able to reprogramme the database containing their personal numbers when they left one location, or alter the list of out-of-bounds numbers.

In an intelligent network, ordinary calls would continue to be processed by the exchanges in the same way as at present. However, if a call required special treatment, the exchange would consult the relevant database for advice before directing it to its destination. The exchanges would be able to identify which calls were special because they would have different codes. All freephone numbers in the UK, for example, start with 0800, which alerts the exchanges to consult the freephone database.

However, before such a system could work effectively, two further changes would be necessary. A fast, high capacity signalling system needs to be introduced to enable the exchanges to communicate with the databases. (The present system is so slow that phone users would probably hang up before they were connected.) And open interfaces would be needed between the network's various elements so that computers made by one manufacturer could work with exchanges made by another.

The architecture of an intelligent network



1. User makes a call, which is connected to the nearest public exchange.
2. If no intelligent network feature is required, the exchange routes the call to its final destination.
3. If an intelligent network feature is required, the exchange consults one of a series of databases about what to do. Messages are passed between the exchange and the computerised database using a fast signalling system. The call itself is held at the exchange.
4. When the message is received from the database, the exchange routes the call to its final destination.

Telecommunications operators are excited about the prospect of intelligent networks, seeing them as powerful competitive tools which could boost revenues. This explains why operators in those countries where telecommunications liberalisation has proceeded most quickly - the US and Britain - are also those where the desire for intelligent networks is greatest.

Intelligent networks can help the operators respond to competitive threats from two directions. The first is from other mainstream operators, such as that which BT faces from Mercury Communications in the UK. The beauty of intelligent networks is that they would allow an operator to take advantage of a market opportunity or match a new feature provided by a competitor in a few months.

The second threat is from private telecommunications networks. These have become increasingly popular among large companies with specialised communications needs which are not adequately catered for by the public networks. They either construct their own in-house networks or

exchange manufacturers. The reason is that it is extremely difficult to make exchanges from different manufacturers work together smoothly.

Since the concept of intelligent networks involves open interfaces, operators could pick and choose between suppliers. The operators would also be able to bring in computer companies as suppliers, because the new features would involve constructing computerised databases, an area in which exchange manufacturers have not traditionally excelled. As such, intelligent networks are the first major manifestation of the much talked-about convergence between computers and telecommunications.

This prospect, in turn, is setting the stage for what could become a battle between computer companies - such as IBM, Digital and Tandem - and the telecommunications suppliers - such as AT&T, Ericsson, Siemens and Alcatel. As BT's Partridge puts it: "No self-respecting exchange supplier is going to allow this to happen without a fight."

Telecommunications companies have two main options for dealing with this threat. The first is to build up expertise in computerised databases - a strategy being vigorously pursued by Britain's STC, which has been largely forced down this route because it is no longer a major player in the exchange market. The second is to try to keep as much of the intelligence in the exchanges and stop it migrating into central locations.

This is the background to the manoeuvring now going on in the US and Europe over how the open interfaces for intelligent networks should be defined, as the precise technical standards will affect the competitive positions of the different players.

In the US, negotiations about technical standards are being co-ordinated by Bellcore, the research organisation jointly owned by the Baby Bell operating companies which has pioneered the concept of intelligent networks. Discussions are also being held at ETSI, the new European telecommunications standards body, and at CCITT, the international telecommunications standards authority.

While it is still too early to predict the outcome of these discussions, it is already clear that the move to intelligent networks will happen in a series of stages rather than a single giant leap. Even so, the total effect could add up to a revolution.

A rare opening in Austria

By Della Bradshaw

In the UK it would have been a common enough event, the official opening of a final assembly computer plant. A minor royal or local MP would be the best "personality" most organisers could muster to cut the ribbon.

But when Tandem, the US microcomputer manufacturer, officially opened its factory in Vienna this month it was the Austrian Chancellor himself, Franz Vranitzky, who pressed the button to start the production line. He was attended by the combined corps of the Austrian press and paparazzi.

Vranitzky lost no opportunity in making the point that Austria wanted to be part of the European Community - saying that it would bring many advantages that it could not get elsewhere. And Austria has already begun to feel these disadvantages, especially in high technology investment.

While member countries of the EC, particularly the UK, are making huge investments from Japanese and US technology companies in the run-up to the 1992 single European market - Austria rarely receives such investment. Hence the interest in Tandem, which now employs 100 staff in Vienna, 40 of them on the production line.

Shiang Lal Tandon, founder of the Tandem Corporation and known throughout the industry as "Jugl", made no bones about why he had chosen to locate in Austria (the UK had also been on the list of potential sites). As well as the Austrian Government paying for a two year lease on the 800 sq m plant, Austrian banks have funded the start-up - the Dresdner Bank and a Vienna banking consortium granting Tandem credit of DM 80m (\$25m). (The total investment needed to equip the factory was about \$35m.)

Tandon was eager to point out that the production facilities in the factory were designed by a team of Austrian production designers, Pipelka Technik GesmbH. Jugl Tandon also assured the Austrian Chancellor that local sourcing of components would begin as soon as possible.

Meanwhile, production on the two short assembly lines and final test run has been under way since last July, and between 12,000 and 14,000 IBM-compatible PCs are now being assembled each month.

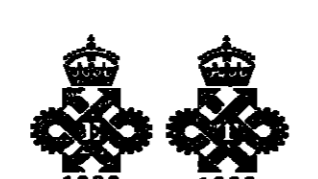
Eventually Tandem hopes to have a third production line in operation, which will mean computers worth over \$700m (\$414m) leaving the factory annually. They are shipped from the factory to Amsterdam, Tandem's European distribution centre, and from there to individual countries. Over 90 per cent of Tandem's total sales of computers are in Europe - the company did \$250m-worth of business in Europe last year.

The factory produces most of the company's wide range of IBM-compatible PCs, but products coming next over \$700m most sophisticated system, the PS/2, will have to wait. "We will do the PS/2 when it becomes a necessity," says Jugl Tandon. "We really don't want to be confusing the market-place at the moment. But we'll join the winners when the time comes."

Tandon officials are confident that Austria will become a member of the EC. Even if it does not, they do not think they will be handicapped in trade terms when selling their computers to member countries. And they dismiss the idea that Tandem had sited in Austria because of its access to Eastern block countries.

With Austria precariously balanced on the edge of Europe, Vranitzky puts his finger on why his country is having problems attracting high volume electronics manufacturing - apart from lacking the security of an EC state, it is not able to produce goods in the same way as the Far East. "We cannot produce cheaply to sell cheaply in Austria," he says, arguing that staff commitment and skills are the country's selling points.

But real computer skills Tandon is looking elsewhere. Research and development will remain in the US and although Tandem is considering making its own main boards - the key element in PC production - they are unlikely to be made in Austria. Jugl Tandon says they will probably be put together in either the Far East or Bombay.



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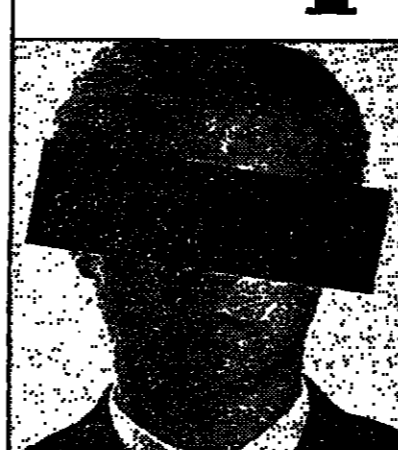
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APRIL 1989



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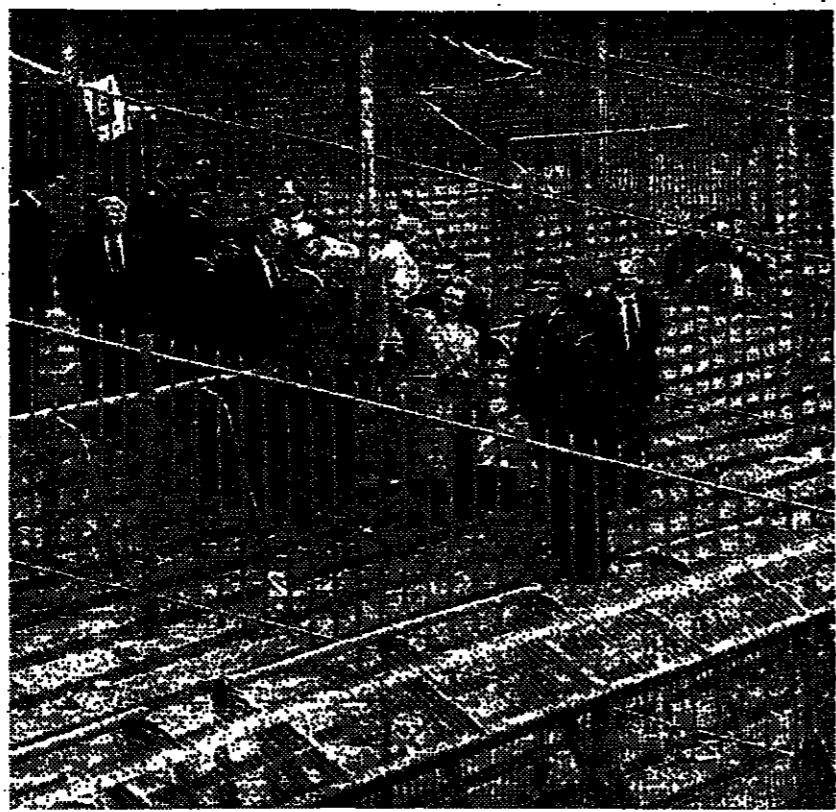
In the US newspaper columns of this sort are devoted as often as not to analysis of the ratings rather than to the content of programmes because, in that country, programmes live and die by the ratings. Even though American series are market-researched in astonishing detail before being launched (sweet meters are sometimes strapped to the hands of the researchers' trial audiences) it is not unusual for a series, which may have cost millions, to be "pulled" after only one or two episodes if it fails to perform promptly as hoped in the Nielsen ratings.

Thanks to the public service tradition of broadcasting in Britain, started by the BBC but adopted also by our commercial companies, the feeling here has always been that we are less concerned with crude head-counting, and more concerned with quality for its own sake. Yet there is, of course, much to be learned from ratings and, as Mrs Thatcher steadily restricts what we can see while boosting revenues, it seems inevitable that the ratings will begin to be as significant in the UK as in the US.

It is far from mere chance that "The Week's Viewing In Summary" issued by the Broadcasters' Audience Research Board Ltd (BARB), the ratings company formed jointly by the BBC and ITV, has since the beginning of 1989, contained more information than hitherto. It still shows how many hours a week we watch (27 on average); and how the audience splits between the BBC and commercial television (close to 50/50). It also reveals that CA's new breakfast service is attracting about 400,000 viewers and that even Welsh speakers do not bother much with programmes in Welsh.

But now, instead of the "Top Tens" which we used to get for each channel, we have "Top Thirties" and that reveals a lot more about what is really going on. One of the most fascinating comparisons, for instance, is between BBC2 which celebrates its 25th birthday tomorrow, and CA which is a little over seven years old in Britain and abroad. CA is credited with being a channel which, while it may not command huge ratings, has proved that minority programming can work; that you can fulfil the demand to "be different" and still attract a perfectly reasonable audience. It operates, moreover, in the private sector, however unusual its commercial structure.

The ratings, however, tell an interesting story. According to BARB, CA's average weekly audience share this year has been 6.8 per cent. Last week it took 10 per cent for the second week running, its highest figure for 1988. But what did it win this audience with? Its Top Ten consisted of two episodes of the soap opera *Brookside*, three game shows (*Pressures* *Heart* and *Two Episodes of Piffers To One*) four American comedies (*The Cosby Show*, *Roseanne*, *Kate And Allie* and *Cheers*) and one American police series (*21st Street Blues*).



Mrs Thatcher at the scene of Saturday's disaster at Hillsborough, where sports commentator Desmond Lynam and millions of viewers became instantaneous eyewitnesses to tragedy

happened? Well, at No.22 was the environment series *Fragile Earth*, but that was the only programme of its sort to appear. The other 29 were all light entertainment of one kind or another: soaps, movies, game shows, and so on. BBC2 wins part of its audience (average weekly share this year 9.6 per cent) with similar programmes. At No.1 it has the American comedy repeat *M.A.S.H.* and further down are *Moonlighting* and *Billy*. But spread evenly through BBC2's list from No.3 to No.30 you also find precisely the sort of specialist and minority interest programmes which are supposed to be CA's métier: *40 Minutes*, *Gardeners' World*, *Top Gear*, *Timewatch*, *Horizon*, *Nature*, *Taking Liberties*, *When In Rome*, *Money Programme*, and *Triumph Of The West*. The kudos for running a successful specialist interest channel seems to be going almost entirely to the wrong place at present.

Perhaps that is only fair, however, because for several years the BBC won all the credit for supposedly producing Britain's "most successful" programme, *EastEnders*. In fact it never did manage to beat ITV's long-running *Coronation Street* when tested in a fair fight, but contrived to fill the top ratings slot by running a repeat each week and aggregating the figures. Now that ITV have finally responded by using the same trick, *Coronation Street* has returned to its long accustomed No.1 spot.

Drama of one sort or another is currently proving an outstanding ratings success. Last week's ITV Top 10 contained almost nothing else: *Coronation Street* twice, *The Heroes* twice, *The Bill* twice, *Tanamera*, *Capstick's Law*, *Emmerdale Farm*, and just one game show: *Busmen's Holiday*. The top seven places on BBC's list were filled by five episodes of the Australian soap opera *Neighbours* (which seems to cash some sort of spell over all schoolgirls) and two episodes of *EastEnders*.

If you construct a national Top 10 (which BARB does not any more) leaving aside the aggregation trick this is the result:

1. *Coronation Street* (Wed), ITV, 17.96m
2. *Coronation Street* (Mon), ITV, 17.23m
3. *EastEnders* (Thurs), BBC1, 15.52m
4. *The Heroes* (Tues), ITV, 14.72m
5. *The Good Life* (repeat), BBC1, 14.73m
6. *Tanamera*, ITV, 14.46m
7. *EastEnders* (Thurs), BBC1, 14.28m
8. *The Heroes* (Mon), ITV, 14.07m
9. *The Bill* (Thurs), ITV, 12.27m
10. *A Question Of Sport*, BBC1, 12.25m

Eight episodes of drama, one old situation comedy, and one quiz. Programmes that we know can slightly weaken this drama domination, though not destroy it, include *This Is Your Life*, which is currently off the air, and *That's Life!* which returned on Sunday and will almost certainly go straight into the Top 10.

BARB's regional Top Tens reveal an

interesting fact about soap operas: their popularity is closely connected to regional identity. The only area where *EastEnders* actually tops the list is London itself, and it does so with a 35 per cent share of the available audience. *Coronation Street* is made in the north west, where it wins 58 per cent of the available audience and tops their list. But out in the corners of Britain - Scotland, East Anglia, and the south-east - the favourite programme is *Neighbours*.

Though the Hillsborough tragedy happened on Saturday afternoon, and many viewers will have spent that evening zapping about, trying to find every late scrap of news, it was on Sunday evening that the event struck home hardest. Next week's BARB figures will show how many millions saw the news that night and watched as 5,000 Liverpoolians massed outside their cathedral while the packed congregation within sang "Achy Breaks My Heart" and the scarves of the fans being tied to the Anfield gates below the wrought-iron legend "You'll Never Walk Alone" must surely have brought tears to the eyes of the stoniest-hearted cynic.

Among the oddest phenomena wrought by television is the way that the whole population now shares, virtually instantaneously, in large yet local tragedies. One of the effects is that people such as Desmond Lynam find themselves, willy nilly, fulfilling for the nation the functions previously served by the clergy: interpreting, consoling, sympathising. Lynam's handling of the BBC cut-off late on Saturday afternoon was pretty impressive.

At Hillsborough there were fewer horrific pictures than at Heysel or Bradford (though the most pitiful sight of panic-filled faces behind the wire mesh was, of course, shown again and again) and although those fatuous and engraving "How do you feel?" questions were not entirely absent, there were fewer this time.

Television becomes ever more adept at feeding the tragedies of the world into our sitting rooms, in a manner both vivid and affecting which no previous generation has had to deal with. Even a vast international tragedy such as the carnage of World War I was experienced by most of the population at second hand, with news trickling back slowly.

Each and every one of us is now an eye witness to each and every harrowing event, thanks to television, with the sights and sounds of Hillsborough being piled upon those of recent air, train and ship disasters. However expensive and ultimately pointless John Kennedy's space programme may have been (and who knows, one day it may prove to be our salvation) perhaps we need something like that, brought into our sitting rooms by television, so that we can share in the occasional triumph of mankind with the same sort of vividness as we share the ever growing list of disasters.

Christopher Dunkley

Aspects of Love

PRINCE OF WALES THEATRE

"Love changes everything" is the main song and current hit of the latest Andrew Lloyd Webber musical, which opened on Monday night amidst the usual brouhaha of celebrities, popping corks, black ties and stiff dickies. To be a critic in such enervating circumstances is salutary. The temptation must always be to confirm those tales of woe and boredom from the previews, to show your intellectual superiority by putting the boot in.

In fact, *Aspects of Love* is a remarkably daring piece of work that captures with some wit and fidelity the sybaritic insouciance of David Garnett's 1955 novella and in Trevor Nunn's very fine production, is a rare example of theatrical intimacy succeeding in large-scale circumstances.

Garnett's fiction charts a series of shifting amours between a star-struck soldier, Alexis; the actress Rose Vibert, who is seen first as Isben's Hilde Wangel, second as Turge- nev's Natalya Petrovna, two types of ball-breaker; Alexis's uncle, Sir George Dillingham; and an Italian socialist, Giu-lietta Trapani. The book (uncredited) of the musical makes George a painter and Giu-lietta, originally a Mar- quessa, a sculptress, whose oeuvre conforms to a popular idea of the avant-garde in echoing Allen Jones (submissive King sized in hardware, sofa lips) and Panolzi.

Alexis is only 17 when love changes everything. At the end, he is ensnared by his lover's daughter, Jenny, herself a teenager. He makes a tryst at George's funeral with

George's lover. In a great dramatic innovation, the squeezed victim becomes Rose herself, and Lloyd Webber provides a swelling operatic valedictory that Ann Crumb discharges with passion and panache. The funeral wake itself is a cross-rhythmed tango, brilliantly choreographed by Gillian Lyne, where George's will of explosive joy is positively enacted.

Lloyd Webber has responded to the idea of impossible love made suddenly real. There are age gaps, there are prior commitments. The Bloomsberry-ness of Garnett comes out here, and the show has an air of instant, charming promiscuity. It is imbued with a sense of the French landscape around the Pyrenees and in the wine district. The music reflects this, so does the design of Maria Björnsen which reveals the mountain peaks through a series of slatted doors and a magically versatile grey brick wall.

There is a lovely chanson that recurs, symmetrically, just as mother and daughter swap in the second act. In George by wearing the same silver lamé dress. Even difficult, private things in Garnett, like the ghostly slipper and siren song, are not ducked. The latter indeed yields a beautiful duet, "Mermaid Song", that is woven into the several other musical themes of the evening.

The music strikes me as experimental, using through-composition conversational techniques that both invoke Menotti and suggest a new post-rock arioso. The second

act has great stretches of lyric beauty followed by wittily banal forlorn passages and then the tango. The lyrics of Don Black and Charles Hart are serviceable, occasionally ashy to buried internal rhyme but settling for the simple and the obvious, neat and clean.

You will have read that Roger Moore left the cast, to be replaced by someone who can really sing. Kevin Colson. Colson's performance as George is one of great finesse and expertise, from the minute he inter- feres in the Mérimée rehearsal to his final demise. Even greater changes are registered by Michael Ball as Alexis, whose tenor baritone voice of wide range is matched by acting ability and real star pres- ence.

If Ann Crumb impresses as the Stephane Audran of the provincial French stage, which she does, then the comparable discovery is Kathleen Rowe McAllister as the Italian femme fatale, a stunning beauty with voice to match. Miss McAllister starts as an extra and becomes pivotal to these shifting alliances, and the encapsulating hit song, in context struck through with melancholic wist- dom, her epitaph.

In an awkward theatre, the musical direction by Michael Reed and the sound reproduction by Martin Levan is of the highest quality. You will want to see this show not because of its showbiz hype, but because there are new creative forces at work here which may yet define the lyric theatre of the future.

Michael Coveney

Simpson's Quintet

RADIO 3

Monday's BBC lunchtime concert at St John's Smith Square (as always, relayed direct on Radio 3) brought a first performance of Robert Simpson's String Quintet, specially commissioned for the series. Simpson has already produced what is surely the most substantial body of chamber music of any composer in recent times; this work, a single-movement structure of just over half an hour's length, is a splendid addition.

As in all of this composer's mature works, the experience is made vigorously involving by the force and naturalness of the symphonic argument that underpins it. Here, this is conceived as a battle of wits between two kinds of music: quietly pensive and energetically forward-moving. The

first, dominant at the outset, inhabits the calm, concordant mode familiar from slow late Beethoven and Shostakovich; it is gradually invaded by the second, spinning along in danc- ing Tippettian triplets.

Each side shores up strengths while working its way toward a central confronta- tion, in sequences and whole paragraphs of immense author- ity, directness, and simple rightness of expression - not a note seems wasted, not a sub- ordinate detail haphazardly placed. The final part of the Quintet is occupied with the business of reconciliation and conclusion; even during a first listening the mastery of Simp- son's technique enables the listener to recognize the ways in which the harmonic and moti- cally processes announced at the

very outset find here their logi- cal culmination.

Simpson writes "conserva- tive" music: it is never because of any urgently-sought new- ness in the forms and language used that his works prove so compelling; the sense that he builds on, refers to, the great masters of symphonic tradition only adds to the power and real originality of the experi- ence. In the best way, the new Quintet is intelligible music; it is also real chamber music, with all the conversational intimacy and balance between sound and meaning thus implied. The premiere was given by the Coull Quartet and the violinist Roger Bigley - a fine, expertly prepared reading.

Max Loppert

La Tragedie de Carmen

THE TRAMWAY, GLASGOW

The prime excitement of *La Tragedie de Carmen* is the space in which it is performed. Peter Brook originally conceived this production for the Théâtre des Bouffes du Nord in Paris, where it was at once a sensation. (It has since been televised.) Now it's to be seen, until April 30, on a sandy floor in Glasgow, where the hand- some redbrick walls of the Old Transport Museum.

The audience is seated on three sides of the front of the performing area. The staging is intimate and absorbing for all the 90 minutes (no interval) into which Brook has reduced Bizet's opera. A few props - a rug, three camp-fires, some chairs - come and go. The small orchestra (the newly- christened Scottish Chamber

Opera Ensemble, conducted by Philippe Nahon) is tucked into a large side alcove at the back, half visible. Just seven singers. The women's fight from Act 1 is performed by Carmen and Micaela. No crowds. No Fras- quita or Mercedes, no smug- glers.

The economy of the main action is striking. That fight is short and to the point. Later, Carmen quietly breaks a plate and uses the shards as her cas- tanets. The big Carmen-José confrontations are given with entire restraint. And the sing- ers bring it off. On Sunday night, I admired in particular the Carmen of Cynthia Clarey and the Don José of James Hoback. Singers who in this small auditorium gave their music colour, detail and vig-

our, and who kept the action always lively. Very enjoyable the passage when, after flirting with Zuniga, Clarey finds that she is nonetheless his captive: she sinks her teeth angrily into his wrist - and then quells his objections with a long, smouldering glance. Hoback, sinking to his knees for the Flower Song, made clear in musical terms how stretched to break- ing point José is here by his own ardour. Véronique Diet- schy's Micaela and John Rath's Escamillo were, however, too demurely sung, and Rath goes badly flat at the top of the bull- fighter's music.

That the Bizet text has been extensively edited is scarcely offensive in an era where *Carmen* has been rearranged and reordered in sundry different

ways, not least for all those inch-deep ballet versions. Still, a pity that some of the scoring is so palm-court. And let me not say Brook's claim that his version breaks down *Carmen* to bare essentials. Any director who fails to follow José's Flower Song with Carmen's astounding reproach, "Non tu ni m'aimes pas," is looking a gift horse in the mouth.

In this staging, immediacy is all - but not drama. At one point, Lidias Escaillo, having bro- ken into English ("At your ser- vice, even on Sunday night"), grabs a woman from the front row of the audience and carries her off to the offstage area where Carmen has just been obliging Zuniga. *La Tragedie de Carmen* emphasises the be- lie's gypsy awareness of

impending death in pictorial terms (she traces symbolic dust-rings as a trap around her- self), and gives us no less than four different versions of the card song in which she declares that resignation to fate. But most generously of Bizet's brief orchestral fate scene, which sometimes links destiny's power over José to the heroine's, are omitted. And most of Carmen's varied demands for "La Liberté" are missing, too. Without these ingredients, the *Carmen* story becomes too facile. Brook hasn't hotted *Carmen* down to raw essence - he's taken a disc of its obvious highlights and pumped it up into a hot-air balloon.

Alastair Macaulay

Gürzenich-Orchester, Köln

BARBICAN HALL

There may be some confusion here. The orchestra that was advertised to appear in the Barbican's "Great Orchestras of the World" series was the Gürtzénich Harmonic and yet the players that were generally expected were the respected Gürzenich Orchestra, founded in 1821. If the old name has been changed, the programme did not say so, but actually added to the confusion - and somewhat raised expectations - by announcing both.

Only one orchestra mounted the platform, however, and at that point any indecision as to their identity ceased. With the cellos centrally placed and double basses ranged along the right-hand wall, the sound was full and solid in a way that

cannot be mistaken. This was a Teutonic orchestra, whatever it may be called, and nothing that the players did during the evening would have been likely to convince the listener otherwise.

The conductor was Marek Janowski, who has been in charge at Cologne since the opening in 1986 of the new hall, the Kölner Philharmonie. In the works by Beethoven which framed the programme he pro- duced a long and superb per- formance. Not much ability in the Overture to *Egmont*, but he did secure an underlying strength that broke out into climaxes of aggressive, almost angry attack.

Whether the same kind of music is ever likely to prove successful in the Pastoral Symphony is open to ques-

tion, but it is difficult to say that it did so here. Orchestra and conductor rose to their best in the stamping vigour of the trio to the peasants' dance, but both other movements and the "Scene at the Well" lacked expressivity and half-tones.

In Schumann's Piano Concerto Janowski and his soloist, John Lill, made hard work of a piece that should speak with an easy, early Romantic fresh- ness. The Beethovenian man- ner persisted here and Lill duly played in a style that was severe and clearly-articulated at the expense of poetry or sensibility. Not a great evening, even if the visitors from Cologne are classed as a "Great Orchestra."

Richard Fairman

ARTS GUIDE

THEATRE

London

Fuenteovejuna (Cottesloe). Wonderful production of Lope de Vega classic by Cheek By Jowl director and designer Declan Donnell and Nick Ormerod. May 2-4 (928 2252).

Bed (Cottesloe). Imaginative re- velle for old codgers in pyjamas and a sleeping den as big as the Great Bed of Ware itself. April 14-19, April 22-May 2 (928 2252).

Hamlet (Olivier). This picture- esque Renaissance revival by Richard Eyre for the National Theatre is a disappointment, though Daniel Day-Lewis may improve with experience in the role. May 2-4, 10-12, May 25-June 1 (928 2252).

Stage Syles (Queen's). The high- light of Alan Bennett's double bill is a comic confrontation between Prunella Scales as Her Majesty the Queen and Bennett himself as Anthony Blunt in the royal picture gallery. (794 1186).

A Walk in the Woods (Comedy). Alec Guinness and Edward Herrmann in feble off-duty arms- wrestle encounter by Lee Blessing. Guinness, back on the London stage after 10 years, is in subtle virtuoso form as the Soviet veteran of tactical stone- walling and pro-dealing tricks (829 2878, cc 829 1439).

Brigadoon (Victoria Palace). 1947 Lerner and Loewe "heather- scented" Scottish fairytale hit is handsomely revived and well sung, less full than expected (834 1317, cc 836 2423).

The Verdict (Garrick). Maria Aitken and Rupert Everett in brilliant reprisal by Philip Prowse of Noel Coward's 1924

study of drug addiction and social reaction. (379 6107, cc 741 9959).

Mrs Klein (Apollo). Intriguing chat among the child psychoanalysts in Nicholas Wright's hit transfer from the National. Fez- zing performances from Gillian Barge, Francesca Annis, Zofia Wazanaszka. (437 2653, cc 379 4104).

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's intimate new musical, adapted from a novel by David Garnett, opens with mixed reports from the previews. Trevor Nunn directs, Michael Ball stars oppo- site Kevin Colson, who has replaced Roger Moore (839 5972).

King Lear (Old Vic). Eric Porter in thematic and lyrical form in Jonathan Miller's production. (928 7916, cc 281 1821).

Ivanov (Strand). Alan Bates and Felicity Kendal lead a new ad hoc classical company in Chek- hov's first play, translated by Ronald Harwood, directed by Elijah Mooshinsky. (336 1650).

The Hague (Cross Theatre). A Night at the Cotton Club, a musical about the famed night-club with Made- line Bell and Ruth Jacott. Directed by Barry Stevens and staged and choreographed by Billy Wilson. (Fri, Sat, 65 88 00).

Rotterdam (Evita the original Broadway pro- duction with Florence Lacey. Tue, Wed (two perfs), Doelen (413 2490).

New York (Heidi Chronicles (Plymouth).

Wendy Wasserstein's award-win- ning comedy. (379 6107, cc 741 9959).

Robbins' Broadway (Imperial). Anyone attracted by the notion of a three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, includ- ing *On the Town*, *West Side Story* and *Gypsy*. The lustre of the credits is dimmed by the brevity of each piece.

Emmerson (Broadhurst). Neil Simon's latest comedy is a self-conscious farce, with numerous slanted doors and lots of mung- ing but hollow humour which hits as often as it misses in an inevitable but disappointing hit.

Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc- tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically felicitous (239 6262).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).

Phantom of the Opera (Majestic). Stuffed with Maria Björnsen's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunt- ing melodies in this mega-trans- fer from London (238 6200).

Washington (Sophisticated Ladies (Kennedy

Center Opera House). The first Soviet-American production of a Broadway musical features an energetic cast dancing and singing to a Duke Ellington score brilliantly by Sam Doloff and. Takes the A Train. Ends May 27 (254 3770).

Chicago (Speed of Darkness (Goodman). The world premiere of Steve Tes- lich's domestic drama involves the reunion of Vietnam veterans and the havoc it wreaks on a successful South Dakota family. Robert Falls directs. Ends May 30 (443 3800).

Tokyo (Ryo (The Dragon King) Shim- bashi Embujo Theatre (641 2211). Vulgar but highly enjoy- able production (in Japanese and Chinese) in which plot, about a Chinese boy and a Japa- nese fisherman who join forces to defeat the dragon king, is less important than acrobatics and spectacle.

King Lear. Tokyo Globe Theatre (380 1151). Tadashi Suzuki's bril- liant avant-garde production was originally presented in the US, ends April 22.

Great French mime artist presents a programme which includes a piece called *The Swords of the Samurai*. Kanji Hoken Hall, Gotanda (Wed, Thurs) (735 8888).

Miy Fair Lady. Koseininkin Kai- kan, Shinjuku (407 8155). Touring production (in English) of the classic musical, with James Har- rison following in later's foot- steps as Professor Higgins.

Phillips had an excellent

Manchester Business School

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LONDON: THURSDAY 22 JUNE 1989

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SALEROOM

Hermaphrodite surprise

One of the finest, and largest, pieces of late Gothic German wood sculpture to appear on the market for some time made the impressive price of £264,000 at Christie's yesterday. The sale- room convinced itself, and pre- sumably the buyer, that the limewood altar wing depicting the adoration of the Magi, was the work of Nicolaus Weckmann the Elder, one of the greatest sculptors of Ulm in the years around 1500.

But the big sensation was the £23,200 paid by the London dealer Danny Katz for a 17th century Florentine bronze of a sleeping hermaphrodite. It had been catalogued "perhaps from the workshop of Gianfrancesco Susini" and estimated at up to £1,500. Mr Katz, and other dealers, obviously had no doubts, and it was bid on up. On Sunday in Paris "Paris carrying off Helen" by the same artist sold for £2.1m, a record price for a Renaissance bronze.

The sale of European sculpture and works of art did well, totalling £791,164 with 17 per cent unsold. The National Museum of Scotland acquired a South German limewood bust of the Virgin, early 18th cen- tury, from the workshop of Hans Thoman, which it had recently had on loan, for £28,500.

Phillips had an excellent

auction of Old Masters which totaled £1,813,350 with only 6 per cent unsold. Its attractive painting by Pietro Brughelli, the Younger showing peasants returning from a carnival sold to a European collector for £539,000 while another continental buyer paid a record price for a work by Pietro Longhi of 228,500, for "The Fruit Seller", painted in 1752. As usual still lifes were in demand and one of a roemer, with ham and a flagon by Willem Claesz Heda sold for £176,000.

Back at Christie's Old Mas- ter drawings were also a very strong market, the morning session bringing in £940,354 with just one per cent unsold. The London dealer Hazlett Gooden Fox was a keen buyer of the Turkish watercolours of the 18th century Florentine artist Jacopo Ligazzi, paying £77,000, (as against a £20,000 top estimate), for a portrait of a Janissary holding a gun, with a lion; £66,000 for an Otio- man soldier; and £28,600 for a Greek woman with a goat.

Another London dealer, Bas- kett & Day, secured a pen and ink by Etienne Delaune of "The destruction of Pharaoh's Army" for £49,500, as against a top estimate of £7,000.

Antony Thorncroft

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Wednesday April 19 1989

Banks' reply to Brady

BEHIND THE cautious welcome which most commercial bankers offered in public to the third world debt proposals outlined last month by the US Treasury Secretary, there exists a feeling of unease. Presented by Mr Nicholas Brady as a continuation of the ideas that previously held sway and minimised by some critics as nothing more than tinkering with the existing strategy, most commercial bankers recognise the truth is different.

The Brady proposals have overturned many critical elements of the previous approach. By emphasising voluntary debt restructurings, accented with financial support from the International Monetary Fund and World Bank, the US has implicitly recognised that - at least for countries taking the right kind of economic measures - ability to pay should be a factor in deciding what countries should pay.

As Mexico starts talks with its leading commercial bank creditors today in New York, likely to provide the first working example of the Brady plan in action, most bankers will recognise that they will not be able to push the genie back into the bottle. They are right to be worried, since the new approach carries significant risks. Expectations of the plan in some debtor countries may have risen to unsustainable levels.

It is also understandable that banks, particularly those from outside the US, object to being used as instruments of US foreign policy. If, as they argue, the US proposals are being driven by concern about the impact of economic dislocation in Mexico on the flows of immigrants to the US, and to a lesser extent also on the impact of debt default on emerging democracies in the western hemisphere, why does not the administration put up some of its own money?

Bottom line

But the bankers' main preoccupation is with their own bottom lines. The corollary of debt reduction is the recognition of losses by commercial banks, and one would not expect them to applaud that. Most large banks can accept the likely

losses, but some could face problems. They may argue that many debtor countries borrowed too much and deployed the resources unwisely. But overborrowing also implies overvaluing and the sacrifices so far have overwhelmingly come from debtors - even though they face still more economic reform. The banks have escaped relatively lightly.

Moral argument

One could not expect banks to support the moral argument. However, there are strong financial arguments to suggest that they should try to embrace the Brady proposals as convincingly as possible. Bankers are vulnerable to pressure from two sides. One is the growth in the use of interest arrears by debtor countries to finance current account deficits. Countries have shown that if they are given no incentive to stay within the system, the simplest solution is to go quietly into arrears.

The second source of pressure is western governments in their roles as tax authorities and bank regulators, which can emphasise the carrot and the stick. Bankers point out, correctly, that they were encouraged to lend in the first place by western governments anxious to see a recycling of the OPEC surpluses of the 1970s. It is right therefore that their governments should ease the way to allow the banks to participate in debt reduction.

The US and other western governments are currently anxious that the banks should be provided positive rather than negative incentives. But if the banks were obstructive, these attitudes could change. For the US administration cannot lose its battle over Mexico: it has too much at stake. Mexico is not the sum total of the debt crisis. The Brady proposals allow for the diversity of debtors and bank creditors. With the reduced need for concerted lending, individual bank credibility will be better able to choose a strategy that suits their own interests. This advantage more than outweighs the risks of the new approach and justifies active participation across a range of debtors.

Muddled goals in France

THERE IS AN air of schizophrenia about France's industrial policy. Since the mid-1980s, successive governments have dismantled archaic regulation and exposed the economy more widely to international market forces. Yet the authorities remain wedded to preserving the biggest nationalised sector in western Europe and to practising dirigisme in a variety of forms.

The one positive justification for this lack of coherence is that it has permitted the government of Prime Minister Michel Rocard to press ahead with liberal reform without serious challenge from the left of the ruling socialist party. The latter has been bought off by President Francois Mitterrand's promise to halt the privatisation programme initiated by the Chirac administration in 1986 and by his commitment to the vague concept of a "mixed economy." To appease the right, he has ruled out re-nationalisation.

The strength of the French economy confirms the soundness of the basic policies pursued by both conservative and socialist administrations in the past few years. However, their very success highlights the anomalies of continuing to keep large sections of industry under state control. While France's nationalised industries have undoubtedly performed well, the main reason is that the government no longer meddles routinely in their day-to-day affairs. Where direct intervention persists, such as in the re-appointment of heads of state-owned groups every three years, it has proven a charter more for promoting dubious political goals than good management and industrial efficiency.

Questionable

Still more questionable have been official efforts to exert influence indirectly by enjoining state-owned banks to take strategic stakes in large publicly-quoted French companies. Such holdings serve no obvious economic purpose and raise potentially awkward conflicts of interest with the financial institutions' own fiduciary obligations and their quest for superior investment performance.

At worst, such behind-the-scenes manipulation leads to

severe embarrassment, as happened last year when the government backed an abortive takeover bid for the privatised Societe Generale bank in the hope of breaking up its "hard core" of right-wing shareholders. Meanwhile, the claim that state intervention provides a moral safeguard against the excesses of capitalism has been discredited by suspicions of official implication in the Pechiney insider trading scandal.

Bankruptcy

The most objectionable feature of the policy is that public ownership confers an implicit and in the case of Renault, an explicit - guarantee against bankruptcy. That gives French companies operating in competitive sectors a wholly indefensible advantage over their privately-owned rivals. The Brussels Commission, which is already challenging government support for Renault, needs to exercise its full authority under the Rome Treaty to ensure that this damaging source of distortion does not persist in a single European market after 1992.

It is possible that, well before then, the practical deficiencies inherent in France's current approach will have led to its abandonment. To remain competitive French companies will need both to raise more capital than the government can easily provide, and to forge cross-border alliances and mergers in Europe. Yet state ownership necessarily limits their access to private finance while making them unattractive to many prospective corporate partners. Not many other companies would freely choose to team up with groups which are ultimately beholden to what ministers in Paris judge to be in France's national interest.

There are already signs that Mr Mitterrand's pledge to bring the frontiers of the state in place is being increasingly questioned from within the French government. If it cannot be renounced outright, nationalised groups should at least be freed to raise more core equity from private investors. That would progressively loosen government control and consign notions of dirigisme and the "mixed economy" to the archives of history where they properly belong.

Terry Dodsworth describes the reaction to Japanese investment in the UK

Toyota this week, Fujitsu last. Total investment of £1bn over a five-year period. About 4,500 jobs in employment black spots. These are figures which demonstrate beyond all doubt the scale of the new wave of Japanese investment in the UK - one that is bound to have a lasting impact on the local economy.

But they are also figures which raise a variety of reactions, not all positive. Set against the jobs they create and the new capital they provide is the fear that indigenous companies are losing their technology base or being crowded out of new markets.

Critics argue that the build-up of Japanese investment is a further step in the colonisation of British manufacturing by foreign companies. And while the Government contends that ownership is irrelevant, there is a widespread fear that these new UK plants will be run as remote branch divisions, far from the seat of power: British industry, it is said, may well be losing control over its own destiny.

"The rise of Japanese investment in consumer electronics seems to have encouraged British companies to withdraw into military electronics markets," says Mr Kevin Morgan, a research academic at the Sussex University Science Policy Research Unit. "And there may be heavy costs in trade terms because investment does not automatically reduce imports."

As yet, many of these fears look far-fetched, simply because Japanese investment in Britain is still at a very low level. Whereas US investors began coming to Britain last century, the first Japanese company, a plastic sheet producer called Takiron, put down roots in South Wales only in 1972. Since then, total investment by Japanese manufacturers has risen to about £1.5bn - before Fujitsu and Toyota - employing 25,000 people.

Newcomers who are welcomed but feared

begin to worry about the decline of their national consumer electronics industries. In a period of increasing unemployment, it became important to try and replace jobs that were being lost through manufacturing cut-backs. Voluntary restraints on imports spread like wildfire, to be followed by inward investment that helped replace some of the lost jobs.

Since then, the issue has moved on yet again. Once European manufacturing was established, Governments began to focus on the question of local content in the products being assembled in the new plants. Some joint ventures, such as the video-cassette deal between JVC of Japan, Thorn EMI in the UK and Thomson in France, were aimed at transferring Japanese technology; elsewhere, the political moves against "screwdriver" assembly plants have forced the Japanese to purchase more of their components in the region.

Moves to encourage or force local European production have risen in step with the increase in Japanese influence over the market - underscored last year in the £23bn (£13bn)

four years ago to £4bn last year. A number of factors are blamed for the rising deficit. Initially, the collapse of indigenous manufacturing and exporting companies leaves a gap that cannot be filled promptly by new Japanese companies, which have their own overseas distribution arrangements. At the same time, the loss of equipment producers undermines the component supplier industry, which no longer has assured outlets; and the inward investors tend to rely heavily on their established home-country supply chains for components and the machine tools on which their products will be made.

Supporters of the new Japanese plants argue, however, that the long-term benefits of these investment projects will outweigh the short-term problems.

First, they cite the jobs now being created in areas where British companies have signally failed to generate employment over the last two decades. Critics argue that these jobs are generally for unskilled assembly work, but Japanese companies have a reputation for paying relatively well and offering good fringe benefits.

The second type of benefit, it is argued, is the impact of Japanese production methods on the manufacturing sector in general. This is hard to estimate, but it has undeniably spread widely over the last few years. Indeed, a new book, *The Japanisation of British Industry*, argues that the influence of Japanese companies has prompted far-reaching changes in the UK since around 1986. Among the book's examples: the adoption of just-in-time inventory control methods, heightened awareness of quality control, stronger relationships with component suppliers, and more co-operation in work in the car industry.

"The Japanese are now on the doorstep and the model has an immediate impact," says Mr Barry Wilkinson, one of the joint authors of *The Japanisation of British Industry*. "It is no accident that the car industry is the most advanced in the adoption of Japanese ideas - the threat to them is obvious."

Fourth, the supporters of Japanese investment believe that these new companies will gradually increase their commitment to a point where they will be indistinguishable from indigenous groups or the deeply entrenched Americans. "British peo-

'When the Japanese decide to come in it gives you a seal of approval because they are known as the most demanding employers in the world'

ple no longer think of Ford as a foreign company," says one official, "and it will be the same with the Japanese in due course."

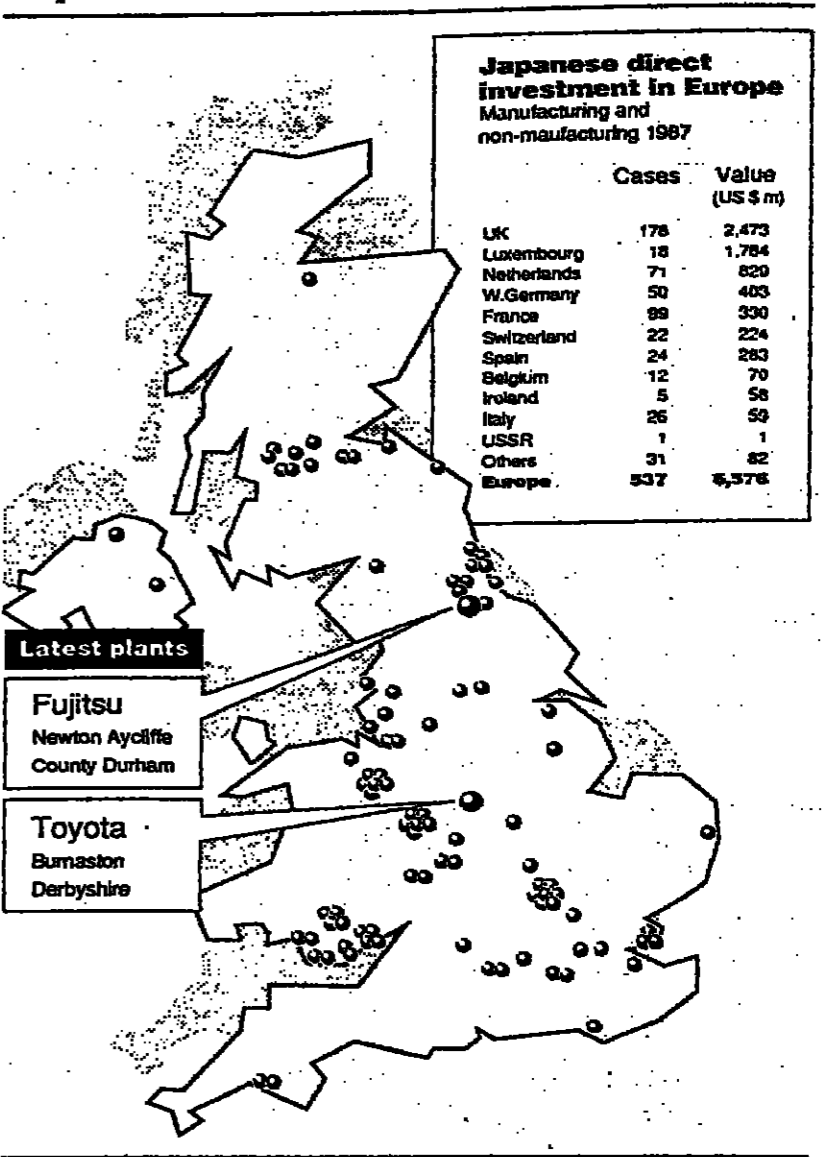
A great deal of the argument over local content levels is related to this question of local commitment: "screwdriver" plants do not transfer technology or generate it locally, and they require only relatively unskilled labour. But the issue also extends to research and development. Inward investors that set up local research and engineering development centres can build integrated operations with a high level of local value added. In due course, that should mean less dependence on imports or even a move into net exports.

There has been some fear that the UK will lose out in the race for Japanese research and design centres to West Germany. Japanese companies are impressed by West Germany's large pool of skilled engineers. Sony, for example, has set up its engineering centre there, although it does development work in some areas such as satellites in the UK.

Sony, like other Japanese companies, will certainly continue to invest across Europe because it is well aware of the rivalries which still exist within the Community. But the company is also a good example of the way in which a small initial investment can lead steadily to a much greater involvement.

Starting originally with a low-technology assembly operation, the group has now developed to a point where it claims to have 90 per cent local con-

Japanese factories in UK



tent in its UK-made televisions. At Bridgend in South Wales, where it now employs 1,700 workers, it runs an integrated manufacturing operation, producing its own colour tubes and buying in many of its other components from British suppliers. Exports from the plant, which has a turnover of around £200m, amounted last year to £140m.

At the same time, Sony runs an overall trade deficit on its activities in Britain because of its heavy imports of video products. Last year, the imbalance probably amounted to around £130m. But that figure would have been much higher five years ago, and the company claims that its long-term aim is to become completely localised within Europe, transferring as much of its research and production to the region as possible.

"Japanese companies will have to integrate further," says Mr Takeo Nigishi, head of the Electronics Industry Association of Japan in Europe, "because they are moving increasingly into sensitive trade areas. As they begin to invest in infrastructure sectors such as telecommunications and information systems, they will need a local presence."

Mr Nigishi's model for the future Europeanised Japanese corporation is International Business Machines, the world's largest computer company. "IBM has a huge advertising campaign running about 1982," he says, "giving the message that the company is part of the local European community. But we've only had 10 years and they've had 70. It takes time."

deficit the European Community was running with Japan. Anti-dumping steps against a series of office products, for example, have prompted a rash of investments: according to the Dataquest market research organisation, the Japanese set up 14 factories to make dot matrix printers during 1988, seven of which were in the UK.

The Toyota and Fujitsu developments herald yet another phase of Japanese expansion, driven by the European Community's drive to create a genuine open market in the region by 1992. With fears that this policy could be used to erect collective European barriers against them, the Japanese believe it is better to be inside the Community than outside. So a number of other large companies are expected to follow with similarly hefty investments.

The doubts that are being raised about these new arrivals centre mainly on the trade issue. This is demonstrated most graphically in the UK, which has up to now attracted the lion's share of Japanese investment in Europe in the high technology electronics sector, but has concurrently seen an increase in its trade deficit in this area - up from £2.8bn

Chile's ghost candidate

The switch from technocrat to politician is a metamorphosis that has tripped many an ambitious person. This explains the indecision of Hernan Buechi, the former Chilean Finance Minister, who is currently brooding over whether or not to declare himself a presidential candidate for elections in December.

Buechi has made his name (pronounced "Bicki") as a brilliant technician. He masterminded Chile's remarkable recovery from the debt crisis, earning accolades for heading the best managed economy in Latin America. When he stepped down from the Finance Ministry two weeks ago, the move was widely seen as foreshadowing his debut as a politician.

Already a "Buechi for President" committee has been formed and has handed him a list of over 163,000 signatures backing his candidature. The committee has confidently run off an array of campaign paraphernalia from "Buechi is the man" t-shirts down to key chains and even yoghurt wrapped in Buechi labels.

Increasingly he looks the government figure with sufficient electoral appeal for *pinochetismo* without Pinochet.

Just turned 40 (the requisite age for a presidential candidate), Buechi looks precociously young with a mop of student-like hair. He is a health fanatic and likes to test himself in dangerous sports such as hang-gliding. In his early days at the Finance Ministry, he insisted on arriving by public transport to the exasperation of his bodyguards.

Only a man with supreme self-confidence would act as he does, which lends him a touch of arrogance.

When first approached by Pinochet, Buechi is understood to have rejected the idea on the grounds that he was merely a technocrat who has now changed his mind suffi-

OBSERVER

ciently to assemble a team of advisers, including one of Santiago's highest profile young movers and shakers in the business world, Sebastian Finera. He has also met leaders of the church, unions, and community groups.

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"Small world - we use the ECU too on Mars!"

Tower's move

John Tower, the former US senator rejected by Congress as President Bush's choice for Defence Secretary, has reverted to his old habits. By this, I do not mean his much publicised struggle with the bottle, but his acceptance of a job on the board of Macmillan, the New York-based publishers gobbled up last year by Robert Maxwell.

Previously Tower had served as chairman of Pergamon-Brassey's international defence publications and Armed Forces Journal, both subsidiaries of

Small change

Tradition dies hard in the Isle of Man, so jealous of its independence within Britain. But now it is a case of all change with the small change.

When David Cannan, the Finance Minister, presented his third budget yesterday to Tynwald, the island's 1,010-year-old parliament, he revealed that the last of the "ten bob" notes would have to go. The Bank of England has in effect forced the change through a new series of banknotes which are to be introduced over the next four years. The new 50 note, which Cannan says will come in next spring, will be the same size as the Manx 21 note. A similar problem is faced by the Scottish and Northern Irish banks, and the Channel Islands government, all of which also issue 21 notes.

Rather than abandon them, all have agreed a new size for their 21 notes. In the Isle of Man's case, the size will be too near that of its 50p note, so it will have to go, however cussedly popular it continues to be.

Camp stools

Some of the most sensitive intelligence about the British Army's movements in West Germany, our Defence Correspondent has discovered, is

in the hands of a private company based in Basingstoke, near Disseldorf. David Samuels System, with branches spread throughout the country, has the business of renting out the portable lavatories that are now used on all BAOR troop exercises. The exclusive use of "Portaloos" is one of the results of growing "Green" pressure, which has already restricted the areas in which Nato forces can continue to carry out their manoeuvres in the country.

The old method of digging latrines and throwing chemicals down the hole is now out. In have come rather conspicuous blue-and-brown boxes, with an incongruous heart shaped at the top of the outside door. Their resemblance to the Tardis of the Dr Who television series is reflected in the nickname given to them by the soldiers.

Di's general manager, Lothar Vermillion, says the company provides the same services for US, Dutch, Canadian and other forces in West Germany. Its contract includes daily emptying with a special tanker truck, cleaning and disinfecting. It also has to move the facilities around with the troops, following the "grid coordinates" used by the units involved in the exercise - information which it has to treat, Vermillion says, as "absolutely confidential."

In a major exercise, the number of cabins deployed can go into hundreds, which at DM 80 (£26.16) each per day adds to the extra costs already involved in renting property from consenting farmers and compensating for damage. Vermillion says Di's began to do business with the British Army six or seven years ago, but the use of its cabins has now become standard. "With all the ecological thinking now," he says, "it's the natural thing to do."

BUT WHAT ABOUT CHILDREN NOT IN NEED?

Happily, many children today have made their way in the world so well that they neither need nor even want to benefit from family legacies. And to their fortunate parents we would like to say this: Should you decide to bequeath only part of your estate to your children, and would like to find an outstandingly worthy beneficiary for the residue, please consider helping the work of the DGAA.

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At first, helping such folk to "grow old with dignity" means helping to sustain them in modest comfort in their own homes... later, if need be, with professional care in one of our 13 Residential or Nursing Homes, where the companionship and conversation of others like themselves can bring real warmth and pleasure.

We depend very largely upon donations and legacies from people like you, so please consider using some of your "Ten Town" to help us. Our FREE fully explanatory booklet, available on request, will tell you how.

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Founded 1877. Home: 11, Queen Elizabeth, the Queen Mother, Dept 7, Vicarage Gate House, Vicarage Gate, London W8 4AQ. Tel: 01-279 9341 (Please make cheques payable to "DGAA")

Robert Graham

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MINORCO

INCREASED AND FINAL* OFFER FOR CONSOLIDATED GOLD FIELDS PLC

THE INCREASED OFFER WILL CLOSE AT
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MINORCO'S OFFER (a)	CASH SHARES	1,175 356.5 <hr/> 1,531.5p
MARKET PRICE (b)		1,289p

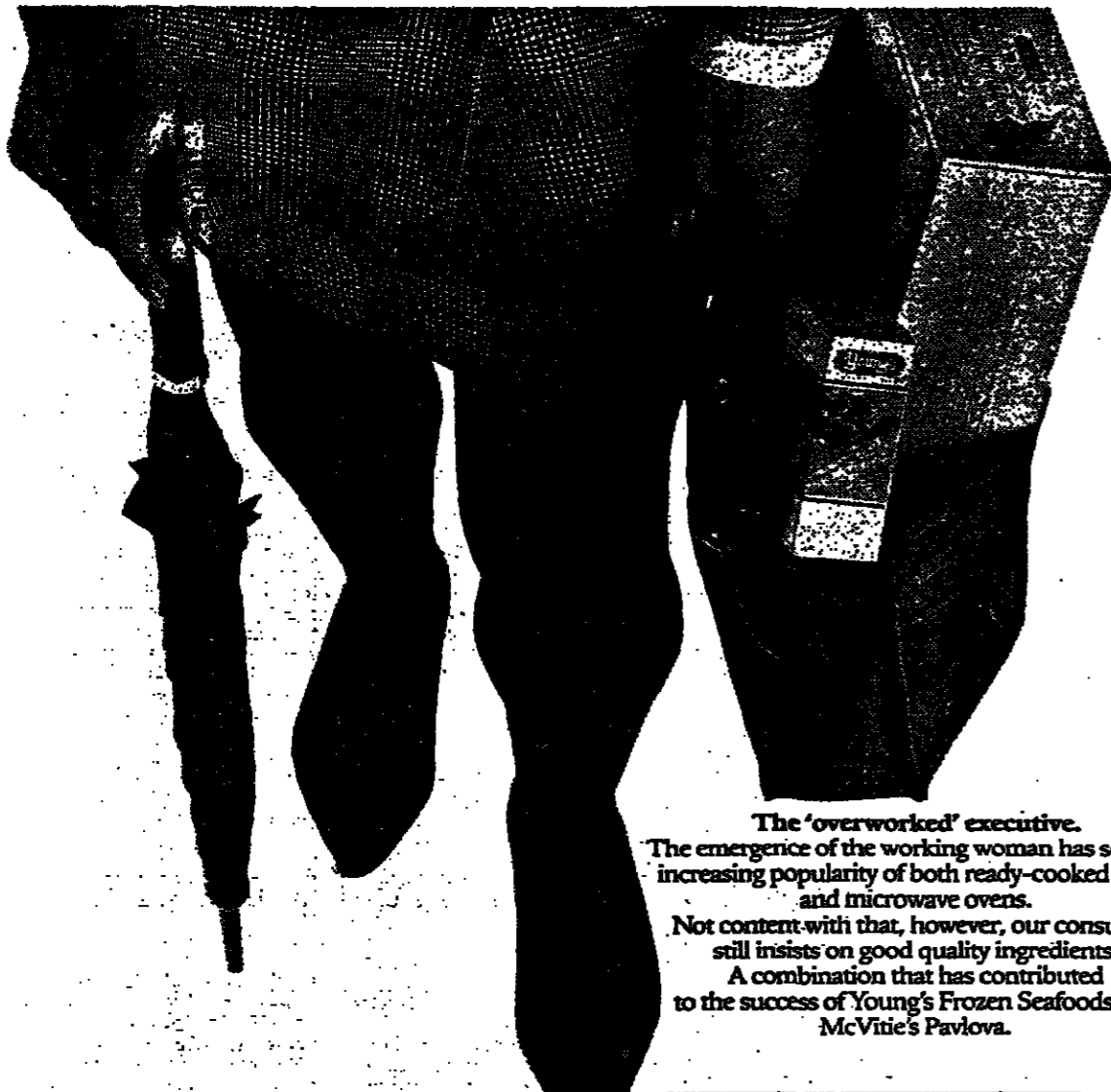
The MIX AND MATCH election, which permits Gold Fields shareholders to elect to receive more cash or more shares, is available only to accepting shareholdings who so elect by 1.00p.m. on Wednesday, 26th April, 1989.

*Minorco has reserved the right to increase its offer or extend the closing date in the unlikely event of a competitive situation. If the Increased Offer becomes or is declared unconditional as to acceptances on 26th April, 1989 it must remain open for acceptance for at least a further fourteen days.

(a) The value of the Increased Offer is based on the market price of one Minorco share of 713p based on the middle market quotation, as derived from The Stock Exchange TOPIC service at 3.00p.m. on 18th April, 1989.

(b) The market price of a Gold Fields share of 1289p is based on the middle market quotation, as derived from The Stock Exchange TOPIC service at 3.00p.m. on 18th April, 1989.

Copies of the Form of Acceptance may be obtained from National Westminster Bank PLC, New Issues Department, PO Box 33, 153-157 Commercial Road, London E1 2DB (telephone 01-791 0011). Gold Fields shareholders who are in any doubt as to how to fill in the Forms of Acceptance should contact National Westminster Bank PLC, New Issues Department on 01-791 0011.



The 'overworked' executive.
 The emergence of the working woman has seen the increasing popularity of both ready-cooked meals and microwave ovens.
 Not content with that, however, our consumer still insists on good quality ingredients.
 A combination that has contributed to the success of Young's Frozen Seafoods and McVitie's Pavlova.



The 'time for a quick lunch' crowd.
 The manic Monday to Friday working week. Half an hour for lunch. Re-charge the batteries and then fit in another whole day's work in the afternoon.
 Wimpy, Pizzaland and the best sandwiches in any town have all helped fill a hole and a well-earned need.

A business inspired by consumers.

As a food company, you should never take your consumer's eating habits for granted.
 We have made it our business to stay in tune with the changes in their tastes and lifestyles.

A fact which inspired us to create a portfolio of businesses that have anticipated rather than merely reacted to the needs of our public.
 This guiding principle has proven to be the key to our success.

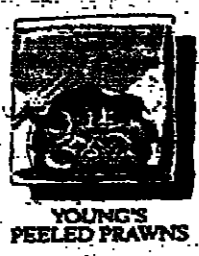
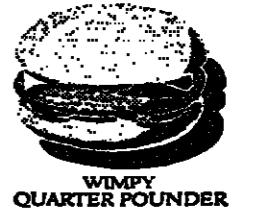


United Biscuits



The 'I deserve a treat' mum and the 'unloved' temp.
 People are working harder these days, and they believe that little treats as personal rewards are both right and deserved.
 Sales of Terry's Chocolate Orange, Terry's Pyramid, McVitie's Hob-nobs and Chocolate Fudge Cakes all prove our point.

The single-person household.
 Whether they are living in bedsits or a luxury flat, the qualities and convenience of McVitie's Pizza Slices are perfectly targeted.
 It was chosen as 'Best frozen food product of 1988' (Supermarketing).



UK COMPANY NEWS

Restructuring paying off as Conder leaps to £6.3m

By Graham Deller
CONDER GROUP, the Winchester-based company which provides services and products for the construction industry as well as being involved in property development and environmental protection, yesterday reported pre-tax profits sharply higher at £6.3m for 1988.

The specialist contracting activities benefited from concentrating on service and margins. Export presence was maintained with contracts for steel framed superstructures in China and the Soviet Union.

Hyman lifts profit to £2.6m

HYMAN, engaged in the manufacture of foam and the operation of a frozen foods business, lifted its pre-tax profit from a restated £2m to £2.6m for 1988.

Casket pegged to £1.7m in first half as demand suffers

ADVERSE factors have hit Casket, the clothing maker and distributor, in the first half. The interim dividend, however, is held at 1.2p from earnings of 3.2p.

He now reports that writs have been served in relation to a contract between Kingsley & Forester and a third party. Writs were being prepared relating to an action concerning published financial information which formed the basis of the acquisition by Casket of Kingsley & Forester.

Rock moves back into profitability

IN WHAT proved to be "a very important year" according to Mr Oswald Dockery, chairman, Rock has returned to profitability and can look to the future with encouragement.

Polymark progresses with rise to £1.39m

Polymark International, the supplier of laundry equipment and labelling systems, yesterday announced a further step in its recovery from the losses incurred in the early 1980s.

Juliana's Hldgs achieves lift to £1.76m

Juliana's Holdings, discotheque and hospitality services group, reported pre-tax profits up from £1.6m to £1.76m for 1988, on turnover up from £9.45m to £11.85m.

ASB Barnett

ASB Barnett Kinnings nearly doubled pre-tax profits from £101,677 to £201,568 in 1988.

Threat to Dickie board

By Clare Pearson
A CONSORTIUM of investors named Specialist Holdings has launched an attempt to oust the current management of James Dickie, the Ayshire-based drop forgings maker.

It warned then that a return to profitability was not expected in 1988, but said it was confident that when the full effects of management changes were felt an acceptable level of profitability would be achieved.

Angloval Group

Mining companies' reports - Quarter ended 31 March 1989

All companies mentioned are incorporated in the Republic of South Africa. All financial figures for the quarter and progressive figures for the current year to date are unaudited.

Harbeestfontein Gold Mining Co Ltd

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Operating results, Financial results, Dividends, Development, and Capital expenditure.

Prieska Copper Mines Limited - Continued

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Operating results, Financial results, Dividends, Development, and Capital expenditure.

Eastern Transvaal Consolidated Mines Ltd

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Operating results, Financial results, Dividends, Development, and Capital expenditure.

Lorraine Gold Mines, Limited - Continued

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Financial results, Dividends, Development, and Capital expenditure.

Consolidated Murchison Ltd

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Financial results, Dividends, Development, and Capital expenditure.

Prieska Copper Mines Ltd

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Operating results, Financial results, Dividends, Development, and Capital expenditure.

Lorraine Gold Mines Ltd

Table with 4 columns: Quarter ended, Nine months ended, 31 Mar 1988, 31 Mar 1989. Rows include Operating results, Financial results, Dividends, Development, and Capital expenditure.

BOARD MEETINGS

Table listing board meetings for various companies including Angloval, Prieska, Lorraine, and Murchison.

This Notice is issued in compliance with the requirements of the Council of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange").

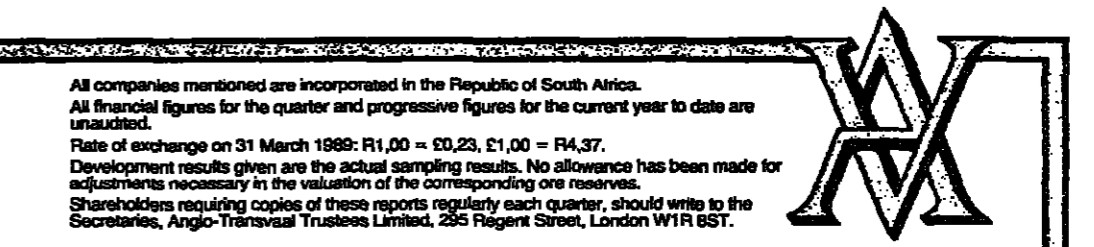
BASS PLC

Registered in England: No. 913450 (Incorporated in England under the Companies Acts)

Issue by way of placing £250,000,000 10 3/8 per cent. Debenture Stock 2016 (the "Stock") of which £150,000,000 is issued as the Initial Tranche.

Listing particulars for the Stock will be circulated in the Excel Statistical Service and copies may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 3rd May 1989 from:

19th April 1989

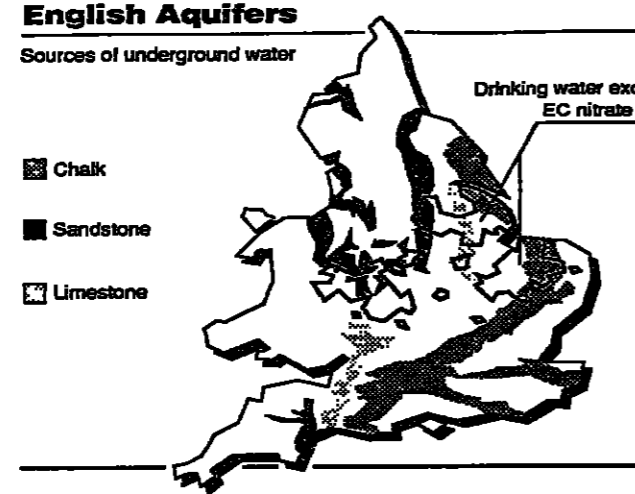


COMMODITIES AND AGRICULTURE

Purer water may wash away farm profits

Bridget Bloom on fears generated by moves against nitrate pollution

THE FARMER drew the car to a halt, gesturing across his wide Lincolnshire acres where the rows of potatoes...



It is doubtful if there is an arable farmer on Lincolnshire's so-called Heath land who is not worried that within a year or two he will be forced to cut back on his use of nitrogen fertilizer...

The speaker quoted above - who asked not to be identified because he said his workers were already too stressed by the downturn in arable farming's fortunes to learn of more problems - farming on top of one of the Anglian Water Authority's boreholes.

depending on geology and soil structure, to reach underground water supplies.

Farmers also argue that the health case against nitrate water is not proven: the incidence of the stomach cancer attributed to nitrate is said to be marginally lower in East Anglia where nitrate levels are highest...

But there is a sense in which these arguments have now become irrelevant. As David Thompson, managing director of Laurence Gould Consultants...

Bigger Australian wheat crop forecast

By Chris Sherwell in Sydney

AUSTRALIA, one of the world's major wheat exporters, is likely to grow 15m tonnes of wheat in the 1988-89 season...

Figures from the Australian Bureau of Agricultural and Resource Economics, part of the Government's Primary Industries Department, showed that 10.2m hectares would be planted to wheat...

The bureau said its estimate was 1m ha higher than it was forecasting before the recent wheat harvest. It was also 1.1m ha higher than the forecast for last year...

The Government's experts tell us that a 50 per cent cut in nitrogen would mean a drop of 10-15 per cent in yields but in these tough days that's my profit, he says.

Outokumpu to buy remaining stake in Irish zinc mine

By Kieran Cooke in Dublin

THE IRISH Government has announced that it is selling its remaining 35 per cent stake in Tara Mines to Outokumpu, the Finnish state mining concern...

Outokumpu will now be the 100 per cent owner of Tara, said to be the biggest zinc mine in Europe.

Mr Michael Smith, the Irish Energy Minister, said that the main part of the proceeds from the sale of the Government's stake in Tara would be used to update Whitegate oil refinery...

Peruvian mining industry faces fresh strike threats

By Veronica Baruffi in Lima

SOUTHERN PERU Copper Corporation miners have called for a general strike beginning on Friday in support of demands for higher wages...

Workers at the Cerro de Pasco zinc refinery, administered by Minero Peru, are also due to come out on strike on Friday to demand of better wages...

Mr Requis, a United Left militant, was leading a union meeting on Sunday morning in Cerro de Pasco when four people broke into the assembly and shot him dead.

US farmers fear they will lose out on exports under Gatt deal

By Nancy Dunne in Washington

THE SENATE Agriculture Committee is to begin hearings today on a new US Farm Bill against a backdrop of rising international trade tensions.

The report said American farm exports had risen and stocks had declined since the implementation of the legislation. However, it said, it was uncertain how much of the gains could be attributed to the legislation...

LONDON MARKETS

COPPER prices continued Monday's retreat on the LME yesterday, cash metal shedding £5.50 to £1,804 a tonne.

COCOA £/tonne

Table with columns: Close, Previous, High/Low for Cocoa prices.

COFFEE £/tonne

Table with columns: Close, Previous, High/Low for Coffee prices.

SUGAR (£ per tonne)

Table with columns: Close, Previous, High/Low for Sugar prices.

SOYABEAN MEAL £/tonne

Table with columns: Close, Previous, High/Low for Soyabean Meal prices.

POTATOES £/tonne

Table with columns: Close, Previous, High/Low for Potatoes prices.

LONDON METAL EXCHANGE

Table with columns: Close, Previous, High/Low, All Official, Kibb close, Open Interest for various metals.

SOYABEAN MEAL £/tonne

Table with columns: Close, Previous, High/Low for Soyabean Meal prices.

POTATOES £/tonne

Table with columns: Close, Previous, High/Low for Potatoes prices.

SOYABEAN MEAL £/tonne

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POTATOES £/tonne

Table with columns: Close, Previous, High/Low for Potatoes prices.

US MARKETS

IN THE METALS, prices sank in all markets due mostly to lack buying as the unchanged CPI number eased inflationary fears...

NEW YORK

Table with columns: Close, Previous, High/Low for New York market prices.

CRUDE OIL \$/barrel

Table with columns: Close, Previous, High/Low for Crude Oil prices.

GAS OIL \$/tonne

Table with columns: Close, Previous, High/Low for Gas Oil prices.

INDEXES

Table with columns: Close, Previous, High/Low for various indices.

WEEKLY METALS PRICES

All prices as supplied by Metal Bulletin (last week's prices in brackets).

CHICAGO

Large table containing various Chicago market prices including Soyabean Meal, Soyabean Oil, and Live Cattle.

£ a tonne unless otherwise stated. p=per cent; c=cent. - =minus; + =plus. * =April/May, + =May/June. - =June/July, + =July/Aug. - =August/September, + =September/October. Commission advance: 100 per cent. * =change from a week ago. † =London physical market. ‡ =RTI Rotterdam. § =Bullion market. ¶ =M-Lexan containing.

LONDON STOCK EXCHANGE

Brighter performance from equities

THE UK STOCK market took a distinct turn for the better yesterday as selective buying by the investment institutions was stimulated in late dealings by Wall Street's strong opening. Worries over domestic interest rates have receded somewhat after the latest batch of economic data, and there were hints yesterday that the Beecham-SmithKline Beckman merger plan may prove the curtain-raiser for a season of major corporate deals.

Higher. Overall, however, the major houses continued to complain of the low level of business in the marketplace. When prices began to rise, marketmakers were squeezed and obliged to buy stock in the market, thus pushing prices further ahead.

Minorco appears to leave some UK institutions which have committed themselves to Minorco's £2.5bn bid, "locked in" for the time being. Disclosure of the identity of the bidder for Gateway Securities, together with full bid details, increased the adrenalin flow.

FINANCIAL TIMES STOCK INDICES

Table with columns for Stock Index, Apr 18, Apr 17, Apr 16, Apr 15, Apr 14, Apr 13, Apr 12, Apr 11, Apr 10, Apr 9, Apr 8, Apr 7, Apr 6, Apr 5, Apr 4, Apr 3, Apr 2, Apr 1, Year Ago, High, Low, Since Completion. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, Earnings Yld % (full), P/E Ratio (net/2), SEAD Bargains (50m), Equity Turnover (m), Equity Bargains, Shares Traded (m), Ordinary Shares Index, Hourly changes, and DAY'S LOW 1987-5.

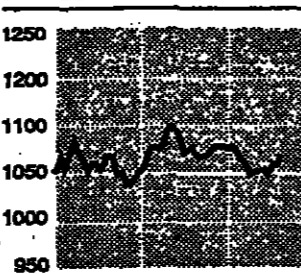
S.E. ACTIVITY

Table with columns for Indexes, Apr 17, Apr 14. Rows include Gilt Edged Bargains, Equity Bargains, Equity Value, 5-Day average, Gilt Edged Bargains, Equity Bargains, Equity Value.

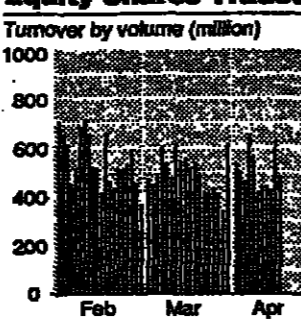
Gateway package revealed

Gateway were supported with enthusiasm and turnover reached a new peak of 23m shares after S.G. Warburg revealed the identity of its consortium bidder. That the consortium, a new corporate name, had offered 15p cash for Gateway, and had agreed to sell 62 of the group's superstores to Asda for £706m if the bid succeeded, did not impress the market and Gateway ended below the offer price at 187 1/2p.

FT-A All-Share Index



Equity Shares Traded



Gas rallied 2 to 177p to 4.7m

A report that French group LVMH was thinking of doubling its stake in Guinness to 24 per cent - as part of a cross-shareholding agreement Guinness has a 24 per cent interest in LVMH - sent the brewing and distillery group's shares racing ahead.

steadying and closing a net 8 off at 33 1/2

This followed news that the group is buying Wells electronic, a US manufacturer of connectors, for \$20m, financed by a vendor placing of 3.8m shares at 51 1/2p.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including Asda Group, British Airways, British Petroleum, British Telecommunications, British Telecom, British Waterways, British Airways, British Petroleum, British Telecommunications, British Telecom, British Waterways, British Airways, British Petroleum, British Telecommunications, British Telecom, British Waterways.

cat and Aiken, said that there was a need to incorporate both methods of valuation into any assessment of the company.

The offer was not particularly generous and the fact that Gateway shares closed at a discount to the bid price suggests there's a lot of doubt in the market over the ability of the consortium to execute the deal.

US moves awaited

London traders in Consolidated Gold Fields were still responding to the latest news from the US court hearings on the Minorco bid when the market closed last night. The court ruling overnight against Minorco brought a heavy fall in Gold Fields shares as soon as trading opened yesterday but the price steadied at the lower levels later in the session.

Change of tack

Courtsaid, which has had the reputation for some time of being easy to sell, suddenly became difficult to buy. The change in sentiment, a leading marketmaker commented, was initially the result of a professional trader struggling to get stock back after having sold short of a chunk of shares via a recent programme trade.

has occurred in the group's mix of business over the past two years.

Particularly the growth of non-textile and fibre interests. He rates the stock undervalued and has altered his current stance of strong hold to buy. Courtsaid is due to report annual results next month.

Marketmakers took up their positions ahead of Hawker Siddeley's final this morning and the stock closed 6 ahead at 650p.

A stream of small buyers caught Camford Engineering traders short and the shares climbed 12 before closing a net 8 higher at 232p. A bullish sector note from Warburg Securities and the Gateway bid story helped the Foods sector post useful gains.

abolition of the National Dock Labour Scheme regardless of whether there is a dock strike.

One dealer said the company planned to follow in the footsteps of P&O, hit by a long strike last year, and concentrate on almost certain long-term profits in spite of any short-term costs incurred by an industrial dispute.

time of its defence against Dutch bidder Rodamco last year.

Hammerson "A" closed up 6 7/8p. Otherwise property shares put in a good performance, particularly Rosehahn, 26 better at 681p on renewed, if vague, bid speculation, and P & O, 18 to the good at 673p.

Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 33

BAA presentation

BAA improved steadily both before and during a long-awaited property analysts' visit yesterday to Heathrow and Gatwick airports. Upward momentum was sustained by suggestions filtering back to marketmakers that BAA was planning to increase by 20 per cent the area devoted to retail outlets at Heathrow, and that it is releasing more land for development. The stock closed at a new high of 364p, 13 better on the day in sharply better volume of 4.8m. Marketmakers said that the approaching final figures, due on June 12, also stimulated demand.

NEW HIGHS AND LOWS FOR 1989

Table listing new highs and lows for 1989 with columns for New Issues, Highs, and Lows, including companies like American Cyanamid, British Airways, British Petroleum, etc.

Banerji moves to Citicorp

Dr Arnab Banerji, a director of Nomura Research Institute, has been appointed head of research at Citicorp Strategic Vice-Presidents. Although now to be a competitor rather than a colleague we are glad that Arnab's outstanding analytical skills are not going to be lost to the investment community as a result of this excellent career move.

ICH money broking chairman

Mr Rod Smith has been appointed to the INTERNATIONAL CITY HOLDINGS board as chairman and chief executive of the money and foreign exchange broking operation, Fulham Palace (UK). He also joins the board of Fulham Preston International as co-chairman with Mr Ritchie Hottinger.

of UCB INVOICE DISCOUNTING

Mr John Slater has been appointed UCB finance director of ELM REDFERN. He was formerly group financial controller of Redfern, a Yorkshire packaging group acquired last December by PLM of Sweden.

In association with the Aker Group of Norway, Euroc acquired two cement manufacturers, Castle Cement in Great Britain and Allentown in the United States, as well as the Vineland ready-mixed concrete company in the U.S.



"1988 is a year worth remembering. Euroc's position as one of the leading companies in the industry was further strengthened. Our international operations overseas were expanded substantially and Euroc's earnings increased sharply for the second year in a row.

Mr J.A. Schumacher has been appointed chief executive director of BREMET.

Mr Robert Kendrick has been appointed chief executive of MONARCH RESOURCES, which is engaged in gold mining in Venezuela. He was with AMAX Inc.

WEDEN ANNUAL REPORT INDEX 1-9-8-9. Euroc is an international industrial and trading group. Mineral-based products form the foundation of the Group's operations. Euroc gives priority to building products, building systems for structural frameworks and finish materials.

The construction field is so comprehensive that specialization is necessary, especially if a company wants to expand in the international marketplace. It is better to hold a few high market shares in some fields than to spread the resources too thin.

To find out more about the performance, direction and prospects of some of Sweden's most successful corporations send for a free copy of the 1988 annual report of the corporations listed below. Please circle for your free copies: ASSI CARDO EUROc FVW MoDo NOBEL INDUSTRIES SWEDEN FERSTORP PROCORDIA SANDVIK SKANSKA STORA

SWEDEN ANNUAL REPORT INDEX 1989. Attach your business card or please print. Name, Title, Company, Address, Country, Swedish Annual Report Promotion, Box 10020, S-100 55 Stockholm, Sweden.

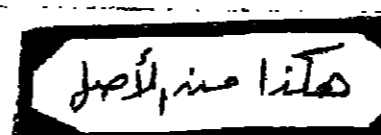
FT UNIT TRUST INFORMATION SERVICE

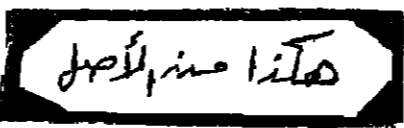
Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-0128

AUTHORISED UNIT TRUSTS

Main table containing unit trust information, organized into columns by fund name and price. Includes sections for 'GUIDE TO UNIT TRUST PRICING' and 'UNIT TRUST PRICING'.

GUIDE TO UNIT TRUST PRICING. This section provides detailed instructions on how to interpret the unit trust prices, including information on currency, units, and the role of the FT Cityline service.





FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information, including columns for company names, unit prices, and other financial data. The table is organized into several vertical sections, with some sections titled 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

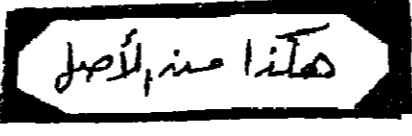
INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information, organized by region: UK, Channel Islands, Jersey, Guernsey, Luxembourg, and Switzerland. Each region lists various unit trusts with columns for Name, Price, and other details.



FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

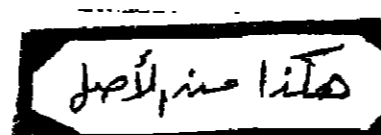
Table of London Share Service listing British Funds, American Funds, and International Bank and OSEAS funds.

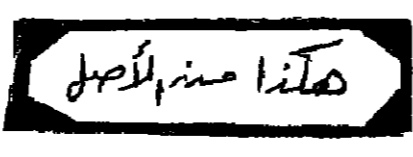
Table of Money Market Trust Funds and Money Market Bank Accounts.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing share prices for various sectors: CANADIANS, BUILDING, TIMBER, ROADS, ELECTRICALS, ENGINEERING-Contd, INDUSTRIALS (Misc.)-Contd, BANKS, HP & LEASING, CHEMICALS, PLASTICS, FOOD, GROCERIES, ETC, BEERS, WINES & SPIRITS, DRAPERY AND STORES, HOTELS AND CATERERS, BUILDING, TIMBER, ROADS, INSURANCES, LEISURE, and ENGINEERING.





LONDON SHARE SERVICE

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LEISURE - Contd. Table listing various leisure companies and their share prices.

PROPERTY. Table listing various property companies and their share prices.

TEXTILES - Contd. Table listing various textile companies and their share prices.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

OIL AND GAS - Contd. Table listing various oil and gas companies.

MINES - Contd. Table listing various mining companies.

MOTORS, AIRCRAFT TRADES. Table listing various motor and aircraft trade companies.

Commercial Vehicles. Table listing various commercial vehicle companies.

TOBACCO. Table listing various tobacco companies.

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Aspirino Lito

WORLD STOCK MARKETS

Table of world stock markets including sections for Australia, Canada, France, Germany, Italy, Japan, Mexico, New York, and Singapore. Each section lists various stock indices and their values.

Table of Canadian stock markets, including Toronto and Montreal indices, and a list of individual stock prices for various companies.

Table of stock market indices, including New York, Dow Jones, and various international indices, with columns for date and value.

Table of Japanese stock markets, listing various indices and individual stock prices for companies like Toyota, Honda, and others.

Table of active stocks in New York, listing stock symbols, prices, and changes.

Table of active stocks in Tokyo, listing stock symbols, prices, and changes.

Advertisement for Novotel hotels, featuring a camera lens image and the slogan 'To keep the world in focus...'. It includes contact information for the U.S. and Canada.

3pm prices April 18

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month	High	Low	Stock	Div. Yld.	52 Wk. High	52 Wk. Low	Change	Close	Open
30	21.4	19.1	AAAR		21.4	19.1	0.0	21.4	21.4
30	10.1	8.9	ACM	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n1	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n2	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n3	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n4	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n5	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n6	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n7	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n8	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n9	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n10	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n11	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n12	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n13	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n14	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n15	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n16	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n17	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n18	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n19	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n20	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n21	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n22	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n23	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n24	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n25	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n26	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n27	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n28	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n29	1.01	10.1	8.9	0.0	10.1	10.1
30	10.1	8.9	ACM n30	1.01	10.1	8.9	0.0	10.1	10.1

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER

Nasdaq national market. 3pm prices April 18

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, and change.

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SECTION III

FINANCIAL TIMES SURVEY

From its identification with utility or military vehicles, the 4wd sector has been transformed into a wider and more fashion-conscious market for leisure/utility vehicles. Japanese niche strategies pose a severe challenge to Western producers, John Griffiths reports

The creation of demand

TOWERED OVER by a line of bearskinned and kilbed beggars, Mr Oasamu Suzuki listened dutifully, and with total uncomprehension. A Scottish dignitary was holding an earnest, one-way conversation with a sheep's stomach stuffed with offal and oatmeal. Then, stiffened by a whisky and with the halting cry of a samurai beset by sudden inner doubt, the president of Suzuki Motor Company stepped forward and stabbed it.

This bizarre scene in an Edinburgh hotel late last year marked the first time Suzuki had used Scotland, or even Europe, to introduce a four-wheel drive vehicle to the world.

(It was also Mr Suzuki's own introduction to Scotland's world-notorious dish, the haggis, and to the poet Robert Burns' traditional address to it prior to its demise).

The scene was no more bizarre, however, than some aspects of the burgeoning world 4wd market of which Suzuki has made a speciality.

Even Mr Suzuki seems at a loss to explain precisely why Suzuki's small, harsh-riding and, by car standards, slow 52 range of purpose-built off-road leisure vehicles - best known as the Samurai - should have attracted a cult following

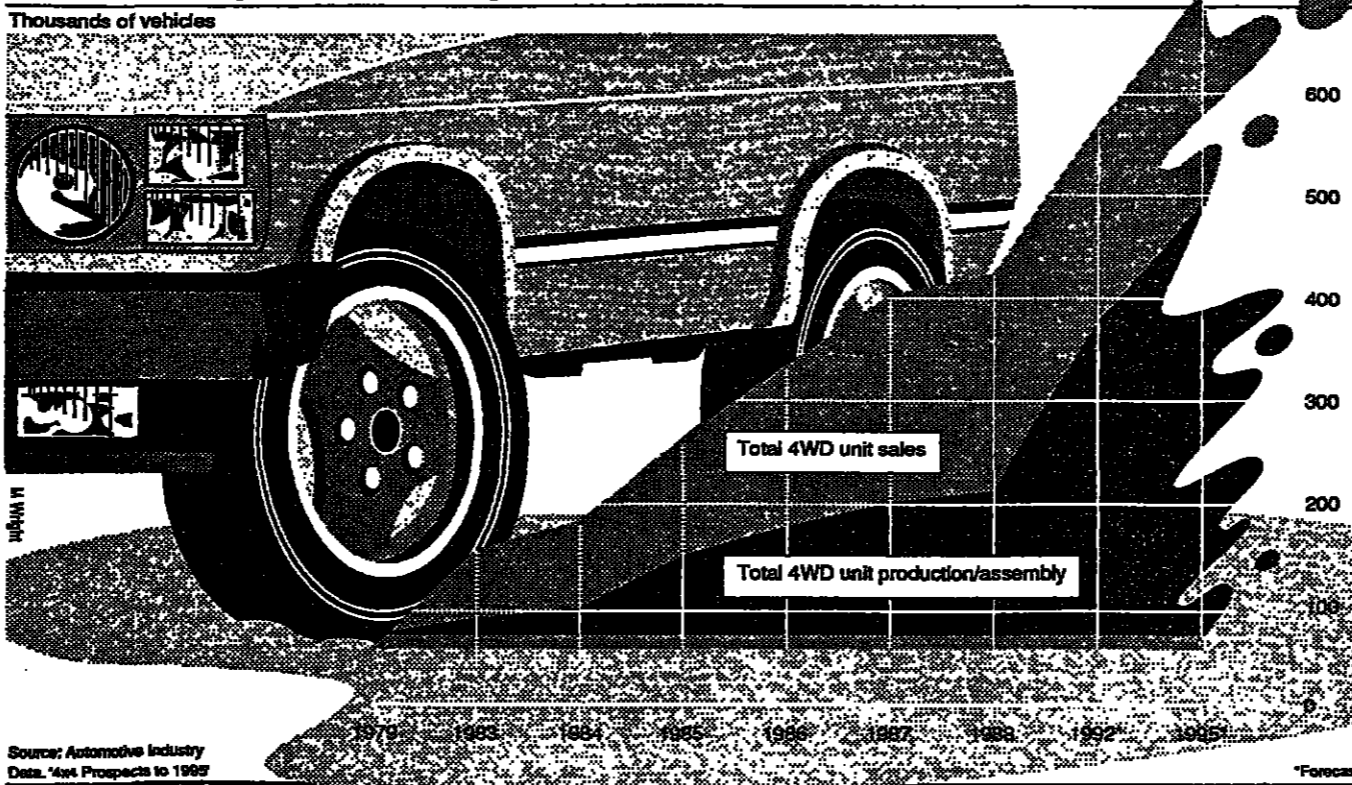
throughout the Western world. Yet they were Western Europe's most popular purpose-built 4wd leisure/utility vehicles last year, with just under 50,000 sold, and one of North America's biggest sellers as well, with 57,000 units sold. This was despite sales being slowed last year by accusations from consumer groups on both sides of the Atlantic that the vehicles were prone to rolling over too easily.

The Scottish ceremony, however, was to launch a slightly larger model, the Vitara, aimed according to Mr Suzuki "at making a breakthrough in the European market by creating a demand that did not previously exist."

The design concept behind the Vitara has been to combine off-road abilities with the on-highway noise levels and ride comfort of a conventional car, wrapped up in a "sporting" styling package. So sure are both Suzuki and General Motors that the vehicle will create an extra market niche for itself that Suzuki plans to build it in Spain at a rate of 24,000 units a year starting in 1990, while output of up to 80,000 units a year - to be badged as the Suzuki Sidekick and Geo Tracker (for GM) - has just begun in Canada.

Mr Suzuki's remarks about

Western Europe 4WD sales / production



Source: Automotive Industry Data, '88 Prospects to 1997

Four-Wheel Drive

creating demand where none had existed previously sums up much of what has been happening to transform the world market for 4wd vehicles in recent years.

Outside North America in the early 1970s, it comprised essentially a utility and military market, typified by the 40-year-old Land Rover. The birth of the upmarket Range Rover at that time suggested that its manufacturer, Land Rover, was aware that a wider, more fashion-conscious market might exist waiting to be tapped; but most other European vehicle makers ignored it.

Meanwhile, in the wide-open spaces of the US and Canada where off-road vehicles could be used without usually offending environmental interests, the Jeep and other US-produced 4wd machines increasingly became used for recreational purposes as well.

The purpose-built "leisure" 4wd vehicle concept survived the first oil crisis of the early 1970s and mushroomed during the middle of the decade to the extent that, by 1978, US manufacturers were producing twice as many 4wd vehicles as the rest of the world put together.

The boom was brought to an abrupt halt by the second oil crisis of 1979-80 - but not before Japanese producers had realised the potential of the sector and begun offering their own, generally smaller and more economical alternatives to the US domestic product.

The Japanese-built machines were offered in widely varying sizes and formats - including 4wd pick-up trucks which were to go on to become a craze in themselves in North America - as manufacturers like Daihatsu and Suzuki sought to break up the hitherto relatively monolithic 4wd market into exploitable niches.

This they have done to devastating effect.

In developing countries, they used these types of vehicle to gain footholds which later would pave the way for them to capture "conventional" car markets as well.

In North America, they started a market fragmentation process which put even the entrenched American Motors Corporation Jeep - owned for the past two years by Chrysler - under severe pressure.

In Western Europe, particularly since the early 1980s, they

have created a "leisure" market for purpose-built 4wd vehicles which previously was virtually non-existent, and to which even now there has been little West European response.

West European sales of purpose-built 4wd vehicles, most of them Land Rovers, totalled 53,100 units in 1979. Last year, according to market analysts Automotive Industry Data, more than 255,000 purpose-built 4wds were sold.

Many of them, like the revealingly-named Sportrak model just launched by Daihatsu, will be used much more for carrying children to school, or metropolitan restaurant-hopping, than for travelling cross-country - to which, in any case, there is rapidly mounting hostility from European environmentalist groups.

With the exception of Land Rover, whose various models accounted for 23,000, or 10.6 per cent, of the European total, only a relative handful of sales were accounted for by West European products.

Nearly 76 per cent of sales were of Japanese vehicles, including Suzuki and Nissan models produced in Spain - where further production

expansion is planned. Another 5.2 per cent, or 13,500 vehicles, were AMC Jeep models, distributed by Renault of France. The balance of 4.7 per cent - or 12,400 vehicles - was made up of cheap Niva models built at the giant Togliatti plant of VAZ, the Soviet manufacturer of Lada vehicles.

Romanian-built Dacia 4wd vehicles are also selling in small numbers in the West, and it is possible that the Soviet challenge will increase in the next few years, as a result of perestroika and an increased Soviet hunger to earn hard currency. It is indicative of Soviet ambitions in this direction that 2430m is currently being spent on a research and development centre at Togliatti aimed at creating a wider range of world-competitive vehicles.

A belated West European response has begun to Japan's creation of what is in effect a new market in Europe's backyard.

Chrysler and Renault are investing \$500m jointly to develop and produce a small, Suzuki-sized leisure/utility 4wd AMC Jeep range which is to be produced in both Europe and

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Illustration: Michael Wright	

the US (Chrysler itself bought AMC from Renault) and which they hope will sell at a rate of 100,000 units a year in North America and 50,000 in Europe.

Ford has chosen the collaborative route, and is considering a joint project with Nissan.

Land Rover will launch an all-new medium-sized model of an upmarket specification at the end of this year. It is aimed at countering models like Mitsubishi's Pajero/Shogun range, more than 30,000 units of which were sold in Western Europe alone last year, and which outsold the Range Rover by almost two-to-one.

The North American industry has fought back against the Japanese onslaught recently. AMC Jeep sales, for example, rose sharply last year, by 21 per cent to more than 253,000 and both General Motors and Ford have seen a recovery in sales of their larger 4wd leisure/utility vehicles like the Chevrolet Blazer (184,000 sales last year) and Ford Bronco and Bronco II (180,000).

Ford, like GM, is choosing to attack in the small 4wd through a joint venture, but this time with its South Korean affiliate producer Kia, which already makes a small car for Ford. The planned vehicle would be built initially in South Korea, but later in North America as well at a rate of up to 70,000 vehicles a year - similar numbers to the GM-Suzuki joint venture.

But the competition is still intensifying: Isuzu and Fuji Heavy Industries, owner of Subaru, are setting up a joint venture plant at Lafayette, Indiana, which will produce sport-utility vehicles to complement Isuzu's existing Trooper range and Subaru's 4wd cars. In talking of the venture, Isuzu president Mr Kazuo Tobiyaama has underlined the market fragmentation theme by saying that Isuzu itself must seek to produce models that are different and of the need for significantly shorter model life cycles - to three years or less in the case of cars.

At the very top end of the market, the UK's Range Rover has been carving out a niche of its own in North America, following its debut there two years ago. Last year's sales reached 3,500 units, despite price tags of \$35,000-plus.

The growth of the specialist

4wd sector, at least during the past year, has not been without hiccups. One major one came with allegations that vehicles of this type are too prone to roll over. While US highway safety authorities refused a demand by one consumer group for a recall of the Suzuki Samurai, the issue of 4wd safety itself is rumbling on, with some US producers also having their vehicles looked at more closely.

And dismay was caused by importers to the US, by far the largest single market for 4wd vehicles, at the beginning of this year when US customs announced a 25 per cent import tariff on them, declaring them to be commercial vehicles. Last month, however, the US Treasury Department partially rescinded the ruling, declaring that four-door models obviously aimed at carrying passengers would be exempt.

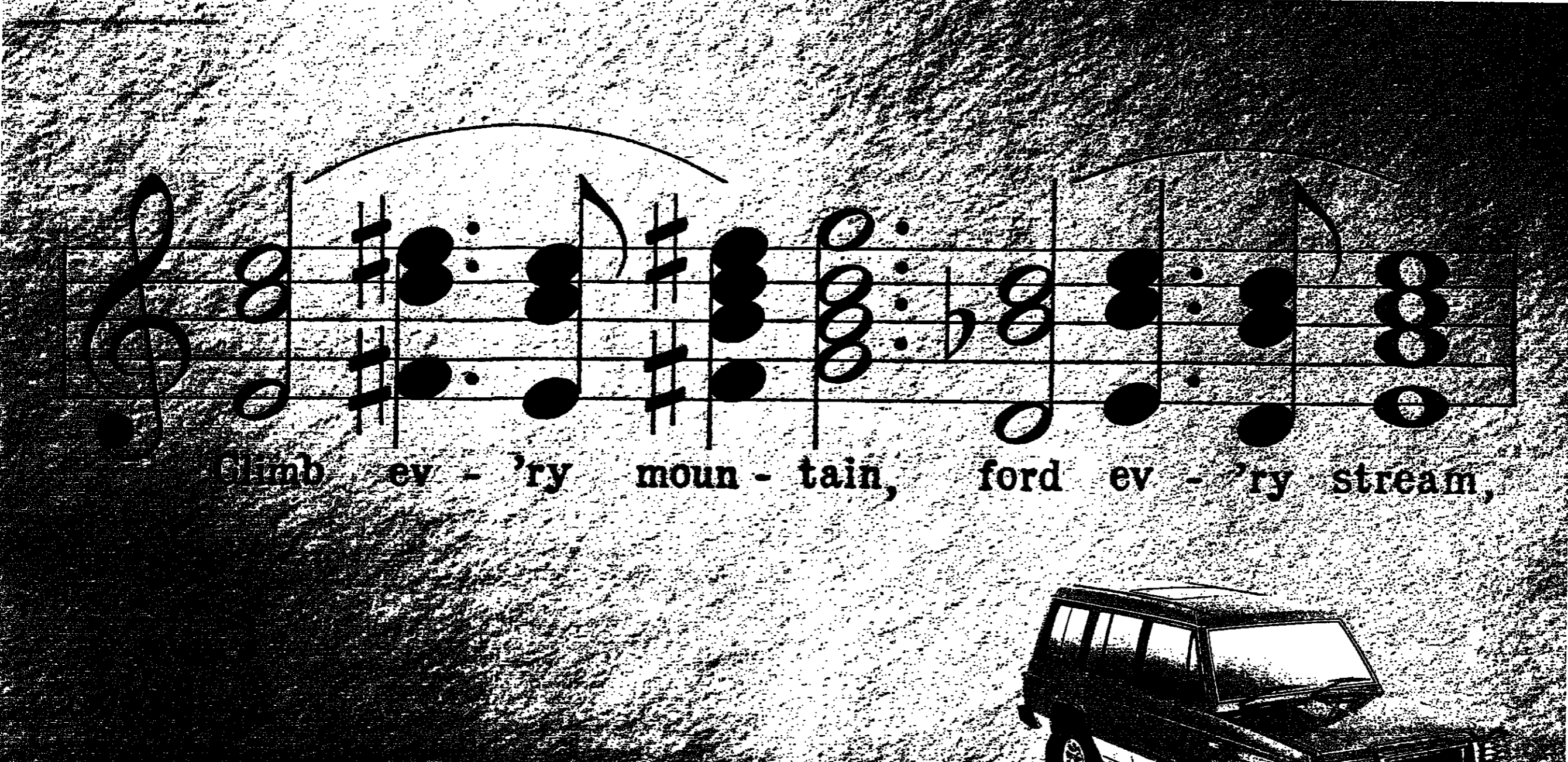
Such blips aside, most forecasts are that growth in the 4wd sector will continue for the foreseeable future in all the world's developed markets, if not at quite the explosive pace of the past few years.

Mr Peter Schmidt, who specialises in the 4wd sector at Automotive Industry Data, sees particular growth for the sport-utility sector, leading to sales of nearly 400,000 units by 1995, compared with 265,000 in 1988. And he projects a doubling of sales in Europe of "conventional" cars fitted with 4wd systems, to around 320,000, compared with just under 160,000 last year.

The ability to travel off-road is considered to be low on the priority list for 4wd. Much more important to buyers, suggest executives of companies like General Motors, whose Opel Vectra medium saloon has just been launched with 4wd in Europe, is the extra roadholding and security offered on wet and icy roads and, lurking in the background, the image of "sophistication" attached to it.

It is in this sector, at least, that European producers have a relatively comfortable position, for the moment at least, vis-a-vis the Japanese.

The region's best-selling 4wd car is a Fiat - the Panda - and only three of the top 10 best sellers are Japanese. That compares with eight out of 10 in the sport-utility sector.



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red roses too,
I see them bloom for me and you,
and I think to myself,
What a wonderful world.

I see skies of blue and clouds of white,
the bright blessed day, the dark sacred night,
and I think to myself
What a wonderful world.

The colors of the rainbow,
so pretty in the sky
are also on the faces of people going by,
I see friends shakin' hands,
sayin' "How do you do!"
They're really sayin' "I love you,"
I hear babies cry,
I watch them grow
They'll learn much more than I'll ever know,
and I think to myself
What a wonderful world.
Yes, I think to myself
What a wonderful world.

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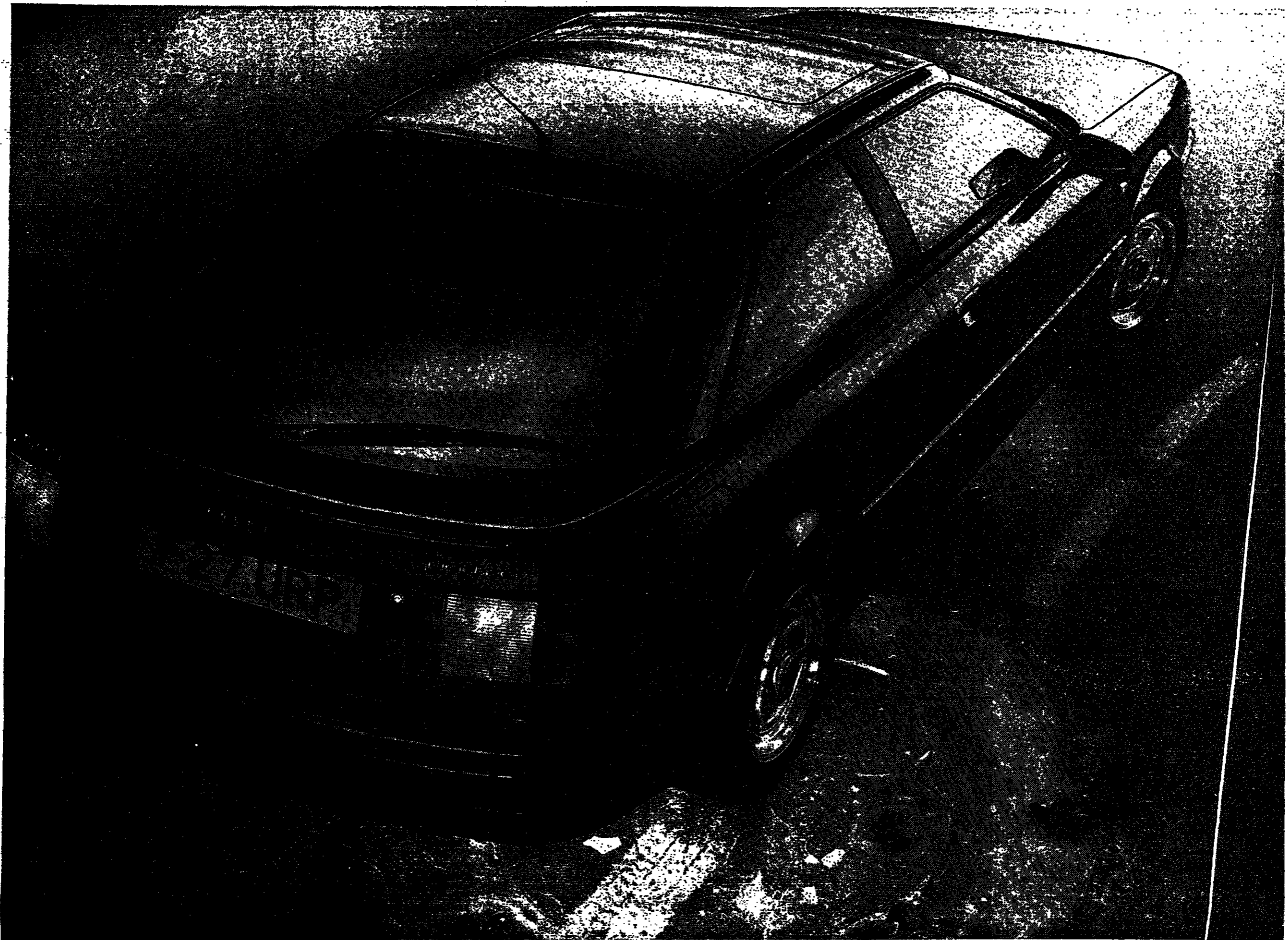
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The drive system automatically, and in a fraction of a second, splits the power to keep the remaining three wheels in traction.

The differential is called Torsen, or torque-sensing. (A tongue twister and a torque twister.)

For the non-technically minded, it simply means that the car is less likely to lose its grip even when conditions vary enormously.

For the technically minded, it can be summed up in the following three words.

VORSPRUNG DURCH TECHNIK.

FOUR-WHEEL DRIVE 7

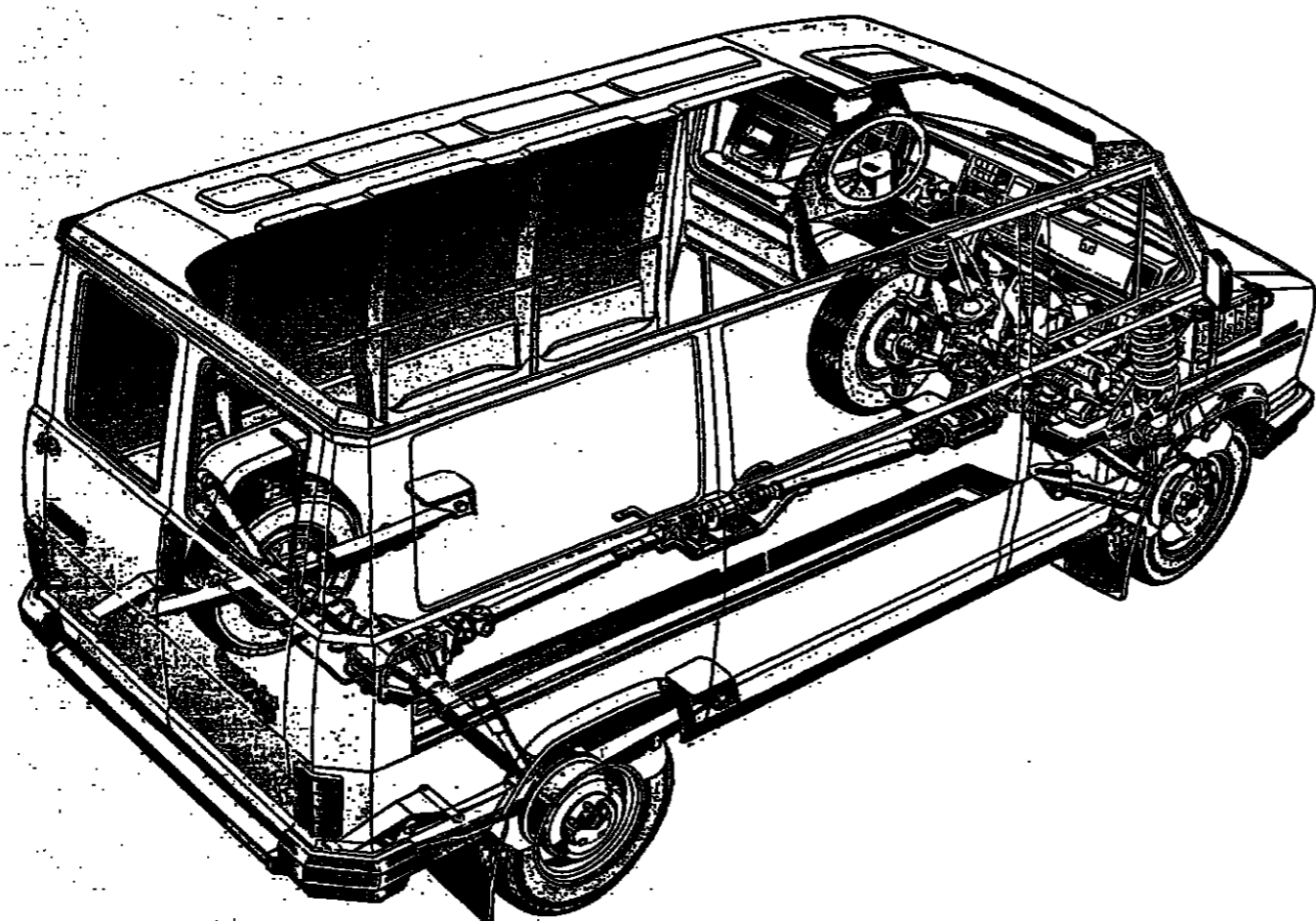
Martin Derrick looks at an Italian joint venture in light commercial vehicles

Fiat and Peugeot renew faith in Sevel project

IN A bid to take the initiative in European light commercial vehicle production, Fiat and Peugeot announced ambitious plans late last year to double the capacity of their Sevel joint van manufacturing venture based in Southern Italy.

Between them, Fiat and Peugeot are investing £315m in order to increase production from just over 100,000 in 1987 to over 200,000 by 1994-95. This will be done by expanding the two existing plants in Italy at Val di Sangro and Pomigliano and by introducing a new production facility at Valenciennes in Northern France on the site of an old Talbot factory.

The Sevel (European light commercial vehicle company) venture was launched towards the end of the 1970s to allow both Peugeot and Fiat to develop a new range of light commercial vehicles at a time when neither company had the sort of resources available for investment in new products that they have now. As such, a joint venture seemed the most sensible way forward.



(Left) An inside view of the Ducato four-wheel drive now being produced by Fiat and Peugeot in Sevel, Italy and (above) the completed vehicle in one of its many versions

have chosen a permanent 4x4 arrangement incorporating a Ferguson viscous coupling. "We tested a switchable part-time 4x4 system for the Ducato but our technical department was not satisfied with its performance. This permanent system is modern, not too expensive, and is especially good from the customer's point of view," says Mr Incisa.

On the Ducato 4x4 drive is taken from the five-speed gearbox to the front differential. From there a two-section transmission shaft, incorporating the Ferguson viscous coupling at the centre, takes the drive to the rear wheels via a limited slip differential. The special component in the transmission - the viscous coupling - splits the available torque automatically between the front and rear axles according to the different grip. So if the front wheels start losing traction, more torque will transfer to the rear of the van and vice versa.

muddy or snow-covered surfaces, the four-wheel drive vehicle can negotiate significantly steeper gradients. It will also be able to maintain progress where a two-wheel drive vehicle would grind to a halt. In addition, Fiat says there have been improvements in straight-line stability, driveability and roadholding for the 4x4, together with better braking and standing starts.

The markets Fiat has in mind for the Ducato 4x4 are mainly in or around the Alps. According to Mr Incisa, it is "the ideal vehicle for all uses high in the mountains or on unmade roads. From hotel services, to electric cable maintenance, to forestry services and civil defence, but it is also ideal for leisure pursuits and for facing winter's hazards without tears in complete safety."

the two biggest markets. Fiat expects to sell between 2,500 and 3,000 Ducato 4x4s a year in Europe initially. "That is a low forecast but if there is any sudden growth in the market for these vehicles, we will certainly be able to respond to that growth and boost production."

In the UK, the emphasis is almost entirely on the leisure market. Mr Nick Spratley, Fiat UK's light commercial vehicle marketing manager, says it is currently a very small market which is why in 1989 Fiat expects to bring in only 45 to 50 Ducato 4x4s into Britain, at a premium of around £2,000 over and above the equivalent price for 4x2 versions.

However, he emphasises that Fiat is not alone in introducing four-wheel drive light commercials. Along with Renault's Traffic 4x4 and VW's Transporter Syncro, Fiat will be part of a small vanguard forming and then expanding this new marketing niche. "My gut feeling is that initially at least, 60 to 70 per cent of Ducato 4x4 sales will go into the leisure area, though we will be researching the pure commercial business market too," says Mr Spratley.

There are already more than 200 versions of the Ducato and other vans to suit different needs and different markets

increased, but also that new models would be developed in both Italy and France from the existing product ranges. Currently the Sevel operation produces the Fiat Ducato, Peugeot J5, Citroen C25, Talbot Express and a few Alfa Romeo badged vans which are sold mainly to the Italian police and military.

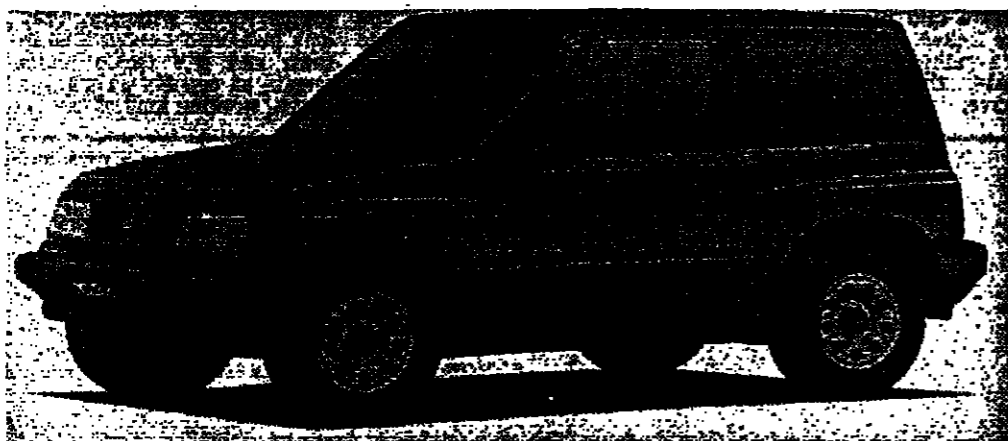
200 versions of the Ducato and other vans to suit different needs and different markets. One area of likely significant development is in four-wheel drive. Earlier this year Fiat launched a range of Ducato four-wheel drive derivatives and, in doing so, stole a march on its partner since Peugeot has not yet brought its four-wheel drive van to the market.

Incisa, director of Fiat's light commercial vehicle marketing division, the Ducato 4x4, far from being a one-off, is the first of a number of four-wheel drive models from the Fiat group. "Fiat's policy is that every new vehicle should have a four-wheel drive derivative," he says.

inantly high performance cars will tend to have a different 4x4 system than that offered on Fiat cars; and different again from that offered on light commercial vehicles, says Mr Incisa. However, that does not mean that light commercial vehicles - often the poor relations in a large motor group - will get a four-wheel drive system that is necessarily less sophisticated. So the Ducato 4x4's engineers

The Santana project in Spain

A switch of drivers



The Suzuki Vitara Metal Top J1X

SUZUKI, the Japanese vehicle maker, is gradually strengthening its grip on Land Rover Santana, the publicly-traded Spanish producer of four-wheel drive vehicles.

It is still unclear what role British Aerospace - through its Rover Group subsidiary - intends to play in the company in the future, but the fact that it failed to subscribe to a recent rights issue indicates that its ties with the company are weakening.

Land Rover Santana recently completed a one-for-three rights issue to raise Pta 2bn, which was underwritten by Suzuki. As a result of the share issue, Suzuki has stepped into the shoes of British Aerospace as the largest single shareholder, increasing its share of the equity from 20 to 31 per cent. At the same time, Rover Group's stake has diminished to only 22 per cent from the previous 31 per cent.

There has been repeated speculation that Suzuki will buy out the stake from Rover Group, with which Land Rover Santana does not have a particularly close relationship. According to a recent report from County NatWest Woodman, the stockbroking arm of the NatWest investment bank, "there is ample scope for Suzuki and Land Rover Santana to cement a relationship similar to that of Nissan and Motor Iberica."

Spain's Nissan Motor Iberica, in which Nissan Motor, Japan's second largest automotive group, holds a stake of around 70 per cent, has become the Japanese vehicle maker's bridgehead in West Europe for the production of light commercial and four-wheel drive leisure/utility vehicles.

Land Rover Santana production in 1988 was virtually unchanged at 25,445 compared with 23,869 a year earlier. The marginal decline was due to a small drop in output of Suzuki vehicles following the scares last year about the stability of the Suzuki SJ 410 and 415 series.

allegations in the UK where the Consumers Association joined the US organisation in calling for a ban on further sales.

Suzuki denied that the vehicles were dangerous and said that the "wheel-lift" tendencies during cornering were due to excessively rigorous testing. Its stance was later backed by the authorities in both the US and the UK, which rejected the consumer groups' calls for a recall of the models, but some damage had already been inflicted in the market place with sales weakening in both Italy and the UK.

Production of Suzuki four-wheel drive vehicles by Land Rover Santana in Spain fell by 3.4 per cent last year to 22,362 from 23,158. The Suzuki vehicles still accounted for the lion's share or close to 80 per cent of the company's production, however.

Moreover, Suzuki production at Land Rover Santana is scheduled to increase by more than 100 per cent as facilities are installed to build a second four-wheel drive model range. Suzuki is planning to build 24,000 Vitara vehicles at the Santana plant starting in January 1990. The L6 Itra vehicle is intended to complement the smaller Suzuki SJ 410 and 415 series.

Suzuki sells 120,000 vehicles a year in West Europe and Vitara sales are likely to be substantially in excess of the 24,000 a year to be produced in Spain. European demand for the vehicle, which was launched last year, will be met initially by imports from Japan where Suzuki is building the Vitara at a rate of 180,000 units a year. The European context

of Suzuki's Spanish-built vehicles is around 60 per cent. The proceeds of the recent share issue are largely earmarked for the increase in capacity necessitated by the introduction of the Vitara range.

According to County NatWest, the company argues that it will "substantially boost" profits in both 1989 and 1990.

The Land Rover Santana vehicle plant is located at Limares in the province of Jaen. Some Pta 12bn is being invested in the plant from 1986 to 1991 which should more than double the plant's capacity for building Suzuki vehicles to well in excess of 41,000 a year. A major item in the expansion is the building of a new Pta 4bn paint shop, the most significant production bottleneck. This should be completed by mid-1989.

Santana also has a machine shop for making aluminium castings in Manzanares. The company has an exclusive licence for European production of the Suzuki four-wheel drive vehicles and the right to market the vehicles in Spain, Portugal, France, Italy and Greece. In the UK the distribution is shared 50-50 between Santana and Suzuki.

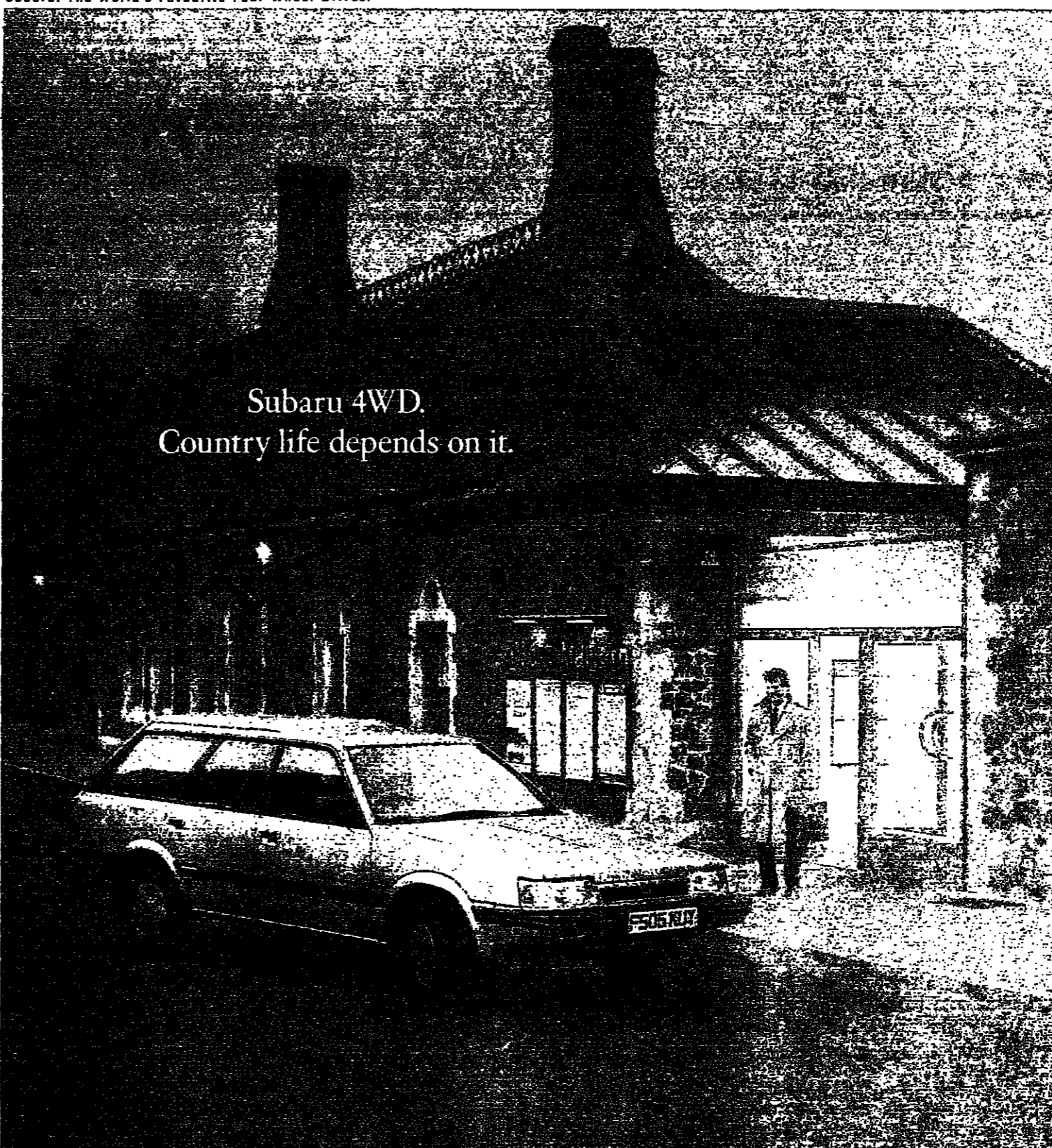
Production of the Suzuki vehicles in Spain began only in 1986, but they have quickly taken over from Land Rover as the company's principal product line. Land Rover production - Santana produces an older model range than those produced in the UK - has fallen from more than 18,000 units a year in 1983 to only 6,083 in 1988.

That was a slight increase in output, however, from the 5,504 vehicles produced in 1987. But while output was higher, sales of the Land Rover models declined both in the domestic Spanish market - to 4,022 from 4,305 in 1987 - and abroad. Exports of the Land Rover vehicles fell to 2,076 from 2,634.

Overall sales of the Suzuki models dropped in Spain to 7,336 from 7,712 in 1987, while export sales fell more heavily to 14,072 from 15,783.

Kevin Dore

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FOUR-WHEEL DRIVE 8

Stuart Marshall, Motoring Correspondent, puts some of the leading market contenders through their paces

On or off the road, the fangs have been drawn

A PARADOX of the four-wheel drive market is that most of the buyers of the high clearance on-off road type never begin to exploit their capabilities.

Equally, those who drive the latest road-going cars with full-time four-wheel drive are probably unaware how much their safety threshold has been raised.

There is no more dramatic an illustration of how four-wheel drive aids car control than the latest Porsche, the rear-engined 911 Carrera 4, which was designed around all-wheel drive transmission. Its performance is on a par with that of the fiercest Porsche of all, the 911 Turbo. But its fangs have been drawn.

Whereas a 911 Turbo will metaphorically (and sometimes literally) take an inattentive or insensitive driver backwards through the hedge, on wet days especially, the Carrera 4 cares well for the less than skilful.

Spreading the engine's torque (pulling power) among four tyre contact patches, instead of two, has a wonderfully calming effect on any car of high power-to-weight ratio. Equally, in the harsh world of international rallying, it is no longer possible to be competitive without the traction of four-wheel drive.

The Porsche Carrera 4 is perhaps an extreme example. But the principle applies equally to such cars as the Audi V8 and all other Quattro models; the Mazda 323 Rally (with 16 valves and a turbo-charger); the Toyota Celica GT-Four; and many others of the growing band of full-time, four-wheel driven, road-going cars.

In effect, four-wheel drive de-skills winter driving. It becomes unnecessary to nurse a car gently away from a standstill, or tip-toe round corners for fear of breaking tyre grip by applying too much power and losing control.

There is no consensus among manufacturers about how the power should be divided between front and rear axles, and how much control the driver should be allowed over the transmission.

The original Quattro divided the torque 50-50 and gave drivers the option of locking



The Turbo Diesel version of the Range Rover, which retains its popularity on mainland Europe, still sets the standard for luxury on-off road vehicles

the central and rear differentials to maximise traction in the severest conditions.

Ford took a different view. When it adopted a more sophisticated form of all-wheel drive for the Sierra and Granada (Scorpio), it decided to bias the power distribution roughly 33 per cent to the front, 66 per cent to the rear. In that way, the handling balance of a rear-wheel driven car was retained.

Instead of a mechanical centre differential, Ford used a viscous coupling of a type patented many years ago by Harry Ferguson, the Ulsterman whose lightweight tractor and three-point implement linkage revolutionised agriculture.

This either slips or locks according to traction requirements. If the front tyres are finding more grip than the rear ones, then more than 33 per cent of engine torque is fed to them. In theory, it is possible for nearly all the torque to be fed to the front or rear wheels, as the case may be.

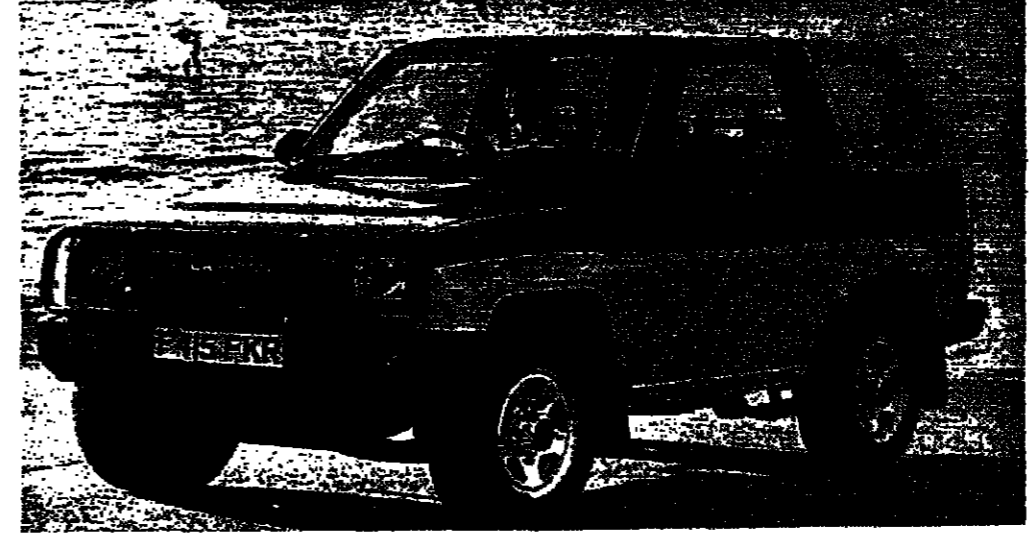
Volkswagen takes a similar attitude to Ford except that the Syncro transmission of its Golf has a front axle bias, making the car feel as though it were front-wheel driven, as a Golf is expected to be.



Mitsubishi's latest Shogun V6 rivals the Range Rover on road and across country. Comprehensively equipped, the Japanese vehicle is considerably less expensive than its UK competitor

The driver has no control over the viscous coupling, which is entirely automatic. In practice, this is probably the best arrangement because if mechanical centre and rear differentials were left locked unnecessarily, it could lead to handling problems.

Mercedes-Benz goes one stage further with its 4-Matic transmission which combines the virtues of both selectable and full-time four-wheel drive,



Daihatsu's new Sportrak EL will be bought mainly as a family's second car and used as a runabout. But it goes across country like a tough off-road machine

happens instantly and several times a second if need be.

Drivers of cars with 4-Matic are aware of none of this. Only a glowing light on the fascia indicates that the road is slippery and they should be cautious.

Mercedes-Benz's attitude is that all-wheel drive - and the near-essential ABS brakes that go with it - are not provided to permit higher speeds in difficult conditions but to make the car safer at normal speeds.

Driving over really rough terrain - or even off tarmac at all - is something relatively few owners of on-off road vehicles, especially luxury ones like Range Rovers, ever experience.

It is a stimulating experience. The rules are quite different in some ways, it is more like riding a horse than driving a car.

To tackle an obstacle you present your vehicle at it straight and in the correct gear. Having chosen your path, you spur it on with the right amount of power and then check its progress while you look for the best way to surmount the next obstacle.

Skilled off-road drivers have one aim: to get where they

want to go and back again without getting stuck or damaging their vehicle. They do not go quickly on rough terrain.

They never touch the brakes, especially on steep and slippery downgrades. The vehicle is held back by the drag of the engine, acting equally on all four wheels, providing it is in the right gear and they never allow their thumbs inside the steering wheel rim - a sudden jolt could dislocate them.

It is all completely different from the TV producer's idea of off-road motoring. Seeing daylight under wheels may be good television but a tyre grips only when it is in contact with the ground.

Manufacturers of on-off road, four-wheel drive vehicles have had to develop products that will be used mainly, if not entirely, as car substitutes but must still behave well when taken across country.

They have been remarkably successful. The Range Rover has always been renowned for its cross-country mobility combined with more than acceptable comfort on hard roads. When launched nearly 20 years ago, it had no rivals but now it has several.

One is the latest Mitsubishi Shogun (Pajero) with a 3-litre, fuel-injected V6 engine, independent front suspension and coil-sprung rear axle. It compares well with a Range Rover for road-going performance and refinement and costs much less. The Isuzu Trooper is another import offering close to Range Rover amenities at not much more than Land Rover prices.

The Japanese makers have particularly excelled in making diesel engine on-off road vehicles as pleasant and nearly as quiet to drive as their petrol powered counterparts.

Newcomers such as the Suzuki Vitara and Daihatsu Sportrak, with 16-valve petrol engines, offer a Range Rover level of sophistication on a smaller scale and at less than half the price.

They cannot, of course, pull two hunters to a meet, as a Range Rover will. But they look fashionably contrived in town and will tackle rough terrain as capably as many a tough, working kind of 4x4.

The new Sierra GLS 4x4. Make the most of 4 wheel drive with a six cylinder engine.

By now most people know what four wheel drive can do. How it gives you extra grip, especially when the roads are wet, and how it helps you corner with even greater safety and precision even when they're dry.

Ford, of course, were among the first to introduce four wheel drive in a normal road going car, as opposed to a specialist rally machine. We introduced the XR 4x4 back in 1985. So the engineering is thoroughly proven.

Now the new Sierra GLS 4x4 brings the advantages of the system further down the price range.

And the beauty of it is that, unlike most other four wheel drive cars, the Sierra GLS still has the powerful, fuel injected 2.9 litre V6 engine with 150 horsepower.

With the performance this gives you, you can really appreciate the extra grip.

The Ford four wheel drive system is also different from most others in that it splits the power 33% to the front wheels and 67% to the rear, not half and half.

This makes the car handle more like a rear wheel drive car, which is how most sporting drivers like it. It's more predictable that way.

Apart from that, the GLS 4x4 is equipped much like the normal GLS, with features like electric front windows, electric door mirrors, central locking, tilt/slide sunroof and four speaker electronic self/seek sound system all standard.

It's also worth remembering in a car which clings to the road so well that anti-lock brakes are also available as an option. After all they're especially valuable in our typical wet British weather.

You can also order an electrically heated windscreen, another Ford innovation and a good winter feature.

For more information on the GLS 4x4 and the rest of the Ford range you can call the Ford Information Service free on 0800 01 01 12.

Or, better still, drop in and see your Ford dealer. He'll show you why our four wheel drive hits the rest for six.



Drive on the bright side.

